

# Variation to NBN Co Special Access Undertaking

given to the ACCC under section 152CBG(2) of the Competition and Consumer Act 2010 (Cth) by NBN Co Limited (ACN 136 533 741)

29 November 2022



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## Variation to Special Access Undertaking

This is a variation given by NBN Co Limited (ACN 136 533 741) (**NBN Co**) to the Australian Competition and Consumer Commission (**ACCC**) under section 152CBG(2) of the *Competition and Consumer Act 2010* (Cth) (**CCA**), which varies the Special Access Undertaking that was accepted by the ACCC under section 152CBC(2) of the CCA on 13 December 2013 and previously varied by a variation accepted by the ACCC under section 152CBG(3) of the CCA on 1 April 2021 (**SAU**).

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### 1 Scope of variation

- (a) Pursuant to section 152CBG of the CCA, NBN Co may, at any time, request the ACCC to consider a variation to the SAU by providing the ACCC with such a variation.
- (b) NBN Co gives this variation to the ACCC in accordance with section 152CBG of the CCA, which varies the SAU that was:
  - (i) accepted by the ACCC under section 152CBC(2) of the CCA on 13 December 2013; and
  - (ii) previously varied by a variation accepted by the ACCC under section 152CBG(3) of the CCA on 1 April 2021.
- (c) This variation is only constituted by the mark-up to the document set out in Annexure 1 and minor formatting changes, with the mark-up in the variation to be read as follows:
  - (i) underlined words are additions to the original wording in the SAU; and
  - (ii) words that are struck out are deletions from the original wording in the SAU.
- (d) To the extent that the terms of the SAU are not subject to the mark-up to the document set out in Annexure 1, then those terms are not varied and continue to operate in the same manner as previously accepted by the ACCC (including as originally accepted on 13 December 2013 and varied on 1 April 2021).

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### 2 Operation of variation

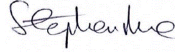
This variation to the SAU comes into operation on the date that the ACCC provides NBN Co with written notice of acceptance of this variation in accordance with section 152CBG(5) of the CCA.

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## Execution Page

**Executed on 29 November 2022**

For and on behalf of **NBN Co Limited**:

DocuSigned by:  
  
4AC0EED1CB71458

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Stephen Rue  
Chief Executive Officer

DocuSigned by:  
  
93C2DF0A0D6B4C4

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Jane van Beelen  
Chief Legal & Regulatory Officer

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## Annexure 1

This variation is set out as mark-up to the document attached in this Annexure 1.

ANNEXURE 1

# NBN Co Special Access Undertaking

given to the ACCC in accordance with Part XIC of the  
Competition and Consumer Act 2010 (Cth)

accepted by the ACCC on 13 December 2013  
as varied up to and including ~~1 April 2021~~ the Second SAU  
Variation Date

*The forecasts provided by NBN Co are provided solely for the purpose of assisting the ACCC in its assessment of NBN Co's SAU Variation lodged with the ACCC in November 2022. They should not be relied upon for any purpose not related to this regulatory process. Forecasts in this document reflect NBN Co's views and assumptions based on its most recent Integrated Operating Plan (as at September 2022), which included a considered assessment of economic and operating conditions at the time they were made. These forecasts are inherently uncertain and subject to a range of risks such that actual performance may differ materially from the forecasts expressed in this document.*



**NBN Co Limited (ACN 136 533 741)**

**NBN Co Special Access Undertaking**

Accepted by the ACCC on 13 December 2013, as varied up to and including ~~1 April 2021~~ [the Second SAU Variation Date](#).

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**Environment**

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## Special Access Undertaking

This is a Special Access Undertaking given by NBN Co Limited (ACN 136 533 741) to the ACCC under section 152CBA(2) of the *Competition and Consumer Act 2010* (Cth), as varied from time to time under section 152CBG of the CCA.

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### Background

- A. NBN Co Limited (**NBN Co**) is a Carrier.
- B. NBN Co supplies listed carriage services and services that facilitate the supply of listed carriage services on the NBN Co Network.
- C. The NBN Access Service is a listed carriage service within the meaning of the Telecommunications Act for the purposes of section 152CBA(1)(b)(i) of the CCA.
- D. The Ancillary Services are services that facilitate the supply of listed carriage services for the purposes of section 152CBA(1)(b)(ii) of the CCA.
- E. The NBN Access Service and the Ancillary Services are not declared services under section 152AL(8A) of the CCA and there is no Access Determination that applies in respect of the NBN Access Service or Ancillary Services.
- F. NBN Co gives this Special Access Undertaking to the ACCC in accordance with section 152CBA(2) of the CCA in respect of the NBN Access Service and the Ancillary Services.
- G. This Special Access Undertaking also provides for NBN Co to engage in specified conduct in relation to access to the NBN Access Service and Ancillary Services under section 152CBA(3B) of the CCA and those matters referred to in section 152CBA(3C) of the CCA.
- H. This Special Access Undertaking also sets out the terms and conditions on which NBN Co will make the Facilities Access Service available to Access Seekers in connection with the satisfaction of NBN Co's interconnection obligations under section 152AXB(4) of the CCA in relation to the NBN Access Service and the Ancillary Services.
- ~~I. This Special Access Undertaking contains price related terms and conditions that are reasonably necessary for NBN Co to achieve uniform national wholesale pricing in accordance with the requirements of the Statement of Expectations.~~
- ~~J.~~ This Special Access Undertaking includes any variation made under section 152CBG of the CCA to the terms and conditions in the Special Access Undertaking that was accepted by the ACCC under section 152CBC(2) of the CCA on 13 December 2013.
- ~~K.~~ This Special Access Undertaking has effect from the SAU Commencement Date until the end of the SAU Term.
- ~~L.~~ This Special Access Undertaking comprises the following individual modules that have effect over a fixed period of the SAU Term:
  - i. Module 0, which sets out the terms of this Special Access Undertaking, has effect for the entire SAU Term;
  - ii. Module 1, which sets out the commitments that NBN Co makes in connection with the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service, has effect during the Initial Regulatory Period; ~~and~~

## Main Body

- iii. Module 2, which sets out long term ~~regulatory principles~~ commitments that ~~apply~~ NBN Co makes in connection with the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service, has effect during the Subsequent Regulatory Period;
- iv. Module 3, which sets out certain terms that will govern the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service, has effect during the Post-2032 Regulatory Period; and
- ~~iii.v.~~ Module 4, which sets out the specific commitments that NBN Co makes in connection with the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service, has effect during the First Regulatory Cycle.
- ~~M.~~ ~~During the Subsequent Regulatory Period, NBN Co will seek to supplement this Special Access Undertaking with Replacement Module Applications to the ACCC that contain terms at a similar level of detail to those in Module 1.~~
- L. This Special Access Undertaking provides for:
- i. NBN Co to provide Replacement Module Applications to the ACCC, which propose particular regulatory settings to apply for proposed Regulatory Cycles in the Subsequent Regulatory Period and Post-2032 Regulatory Period; and
- ii. ~~If accepted by~~ the ACCC ~~to make, each~~ ACCC Replacement Module Determinations will operate ~~for a~~ Regulatory Cycles (other than the First Regulatory Cycle) which and will include detailed commitments, forecasts and regulatory values that implement and operate in conjunction with:
- a. Module 0 and Module 2 for that Regulatory Cycle during the Subsequent Regulatory Period; and
- a.b. Module 0 and Module 3 for that Regulatory Cycle during the Post-2032 Regulatory Period.
- ~~N.~~ ~~NBN Co intends to introduce such Replacement Modules as variations to this Special Access Undertaking which will only take effect if accepted by the ACCC under section 152CBG of the CCA. A Replacement Module Application may also include variations in respect of Module 2 of this Special Access Undertaking under section 152CBG of the CCA, to update Module 2 to reflect updated commitments under this Special Access Undertaking.~~

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## 1 Compliance

### 1.1 Compliance with category B standard access obligations

In the event that NBN Co supplies, or becomes capable of supplying, the NBN Access Service and the Ancillary Services (whether to itself or to other persons), NBN Co agrees to be bound by the obligations referred to in section 152AXB of the CCA, to the extent that those obligations would apply to NBN Co in relation to the NBN Access Service and Ancillary Services if the NBN Access Service and Ancillary Services were treated as declared services.

### 1.2 Compliance with this Special Access Undertaking

In the event that NBN Co supplies, or becomes capable of supplying, the NBN Access Service and the Ancillary Services (whether to itself or to other persons), NBN Co undertakes to comply with the terms and conditions specified in this Special Access Undertaking in relation to obligations referred to in section 152AXB of the CCA.

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## 2 Scope of this Special Access Undertaking

### 2.1 NBN Access Service and Ancillary Services

This Special Access Undertaking is given in connection with the provision of access to the NBN Access Service and the Ancillary Services.

### 2.2 Facilities Access Service

This Special Access Undertaking sets out commitments in relation to NBN Co's supply of the Facilities Access Service in connection with the satisfaction of NBN Co's interconnection obligations under section 152AXB(4) of the CCA in relation to the NBN Access Service and the Ancillary Services.

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## 3 SAU Term

### 3.1 Commencement

This Special Access Undertaking comes into operation on the date that the ACCC provides NBN Co with written notice of acceptance of this undertaking in accordance with section 152CBC(3) of the CCA (**SAU Commencement Date**).

### 3.2 Expiry

(a) This Special Access Undertaking expires on the earlier of:

- (i) 30 June 2040; and
- (ii) a Change of Control occurring,

**-(SAU Expiry Date).**

(b) For the purposes of this clause 3.2:

(i) a Change of Control will occur on the earlier of:

- (A) 20 Business Days following the day on which a Change of Control Notice is published on the Department's website; and
- (B) the day on which the Commonwealth first ceases to have Control of NBN Co;

(ii) a Change of Control Notice means a written notice which:

- (A) has been made by the Communications Minister and given to NBN Co;
- (B) states that it is a Change of Control Notice for the purposes of clause 3.2 of this Special Access Undertaking; and
- (C) states that the Commonwealth Government intends to take steps to relinquish the Commonwealth's Control over NBN Co;

(iii) Control means the Commonwealth holds, in total, ownership of more than 50% of the shares in NBN Co; and

(iv) Department means the Department of Infrastructure, Transport, Regional Development and Communications and the Arts (or any successor department).

### 3.3 Effect of variations to this Special Access Undertaking

Main Body

For clarity, no varied provision in this Special Access Undertaking has, or is intended to have, effect prior to the date on which the relevant SAU variation application is accepted by the ACCC under section 152CBG of the CCA unless otherwise expressly specified in this Special Access Undertaking.

## 4 Structure of this Special Access Undertaking

### 4.1 Overview

This Special Access Undertaking comprises the following documents:

(a) Module 0, which sets out the terms of this Special Access Undertaking and comprises:

- (i) this main body;
- (ii) Attachment A (Service Descriptions);
- (iii) Attachment B (Facilities Access Service);
- (iv) Attachment C (Dictionary); and
- (v) Attachment D (Initial Products),

which have effect from the SAU Commencement Date until the end of the SAU Term;

(b) Module 1, which has effect from the SAU Commencement Date until 30 June 2023 (**Initial Regulatory Period**);

(c) Module 2, which has effect from the end of the Initial Regulatory Period until ~~the end of the SAU Term~~ 30 June 2032 (**Subsequent Regulatory Period**), ~~irrespective of whether a Replacement Module or ACCC Replacement Module Determination is in effect; and~~

(d) Module 3, which has effect from the end of the Subsequent Regulatory Period until the end of the SAU Term (**Post-2032 Regulatory Period**); and

~~(e)~~ (e) Module 4, which has effect from 1 July 2023 to 30 June 2026 (**First Regulatory Cycle**).

~~(d) any Replacement Modules incorporated into this Special Access Undertaking by a variation accepted by the ACCC pursuant to section 152CBG of the CCA, each of which has effect for the relevant Regulatory Cycle.~~

### 4.2 Description of Module 1

(a) Module 1 sets out the commitments that NBN Co makes in connection with the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service during the Initial Regulatory Period.

(b) Module 1 comprises the following schedules:

- (i) Schedule 1A (Implementation of NBN Access Service, Ancillary Services and the Facilities Access Service);
- (ii) Schedule 1B (Term of any SFAA and consultation on changes to any SFAA);
- (iii) Schedule 1C (NBN Offers and Other Charges);
- (iv) Schedule 1D (Regulatory Asset Base);
- (v) Schedule 1E (Long Term Revenue Constraint Methodology);

## Main Body

- (vi) Schedule 1F (Regulatory Information);
- (vii) Schedule 1G (Maximum Regulated Price Review Mechanisms);
- (viii) Schedule 1H (Non-price terms and conditions); and
- (ix) Schedule 1I (Product Development and Withdrawal).

#### 4.3 Description of Module 2

- (a) Module 2 sets out long term ~~arrangements~~ commitments that ~~apply~~ NBN Co makes in connection with the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service during the Subsequent Regulatory Period.
- (b) Module 2 comprises the following schedules:
  - (i) Schedule 2A (Implementation);
  - (ii) Schedule 2B (Pricing ~~Commitments~~ Framework);
  - (iii) Schedule 2C (~~Long Term Revenue Constraint Methodology and Regulatory Asset Base~~ Additional pricing certainty measures);
  - (iv) Schedule 2D (~~Product Development and Withdrawal~~ Weighted average price control); and
  - (v) Schedule 2E (~~Maximum Regulated Price Review Mechanisms~~ Additional price controls);
  - (vi) Schedule 2F (Compliance and other price control matters);
  - (vii) Schedule 2G (ABBRR and WAPC Revenue Requirement);
  - (viii) Schedule 2H (Product Development and Withdrawal); and
  - ~~(vi)~~ (ix) Schedule 2I (Service Standards and other non-price terms and conditions).

#### 4.4 Description of Module 3

- (a) Module 3 sets out certain terms that will govern the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service during the Post-2032 Regulatory Period.
- (b) Module 3 comprises the following schedules:
  - (i) Schedule 3A (Introduction and Implementation); and
  - ~~(vii)~~ (ii) Schedule 3B (Principles applying in the Post-2032 Regulatory Period).

#### 4.5 Description of Module 4

- (a) Module 4 sets out the specific commitments that NBN Co makes in connection with the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service for the First Regulatory Cycle.
- (b) Module 4 comprises the following schedules:
  - (i) Schedule 4A (Overview of Module 4 and key non-price terms); and
  - (ii) Schedule 4B (Building Block Model parameters for the First Regulatory Cycle).

Main Body

#### **4.4 — Description of Replacement Module**

- ~~(a) — NBN Co will, by way of an application to vary this Special Access Undertaking pursuant to section 152CBG of the CCA, seek to incorporate a Replacement Module (and other changes) into this Special Access Undertaking in accordance with clause 4.5.~~
- ~~(b) — Each Replacement Module will set out the detailed commitments that NBN Co makes in connection with the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service for the relevant Regulatory Cycle.~~
- ~~(c) — NBN Co acknowledges that:~~
- ~~(i) — each Replacement Module Application will be assessed by the ACCC as an SAU variation application under section 152CBG of the CCA;~~
  - ~~(ii) — each Replacement Module Application will be accepted or rejected by the ACCC in accordance with section 152CBG of the CCA; and~~
- ~~when determining whether to accept or reject a Replacement Module Application, the ACCC may assess proposed key elements of the regulatory arrangements (as described in clause 4.5(e)€) which, in combination with Module 2, would be applicable to NBN Co for the relevant Regulatory Cycle if the Replacement Module Application was accepted by the ACCC.~~
- ~~(d) — NBN Co may:~~
- ~~(i) — withdraw an SAU variation application that contains a Replacement Module Application before the ACCC accepts or rejects the SAU variation application in accordance with section 152CBG of the CCA; and~~
  - ~~(ii) — re-submit an SAU variation application under section 152CBG of the CCA that contains an amended Replacement Module Application for approval by the ACCC.~~

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## **5 Replacement Module Applications and ACCC Replacement Module Determinations**

### **5.1 Overview**

This clause 5 sets out the terms and conditions on which:

- (a) NBN Co must provide Replacement Module Applications to the ACCC; and
- (b) the ACCC may make ACCC Replacement Module Determinations in respect of Regulatory Cycles which are after the First Regulatory Cycle.

### **4.5.2 Commitment to submit a Replacement Module Application**

- (a) NBN Co will provide ~~Replacement Module Applications~~applications to the ACCC in accordance with this clause ~~5.24.5 (Replacement Module Applications)~~.
- (b) The ACCC will provide NBN Co with no less than 12 months' written notice requiring NBN Co to provide a Replacement Module Application.
- (c) In a written notice given by the ACCC under clause ~~5.2(b)4.5(b)~~, the ACCC must specify the due date for NBN Co to provide a Replacement Module Application to the ACCC, which must be no less than 9 months and no more than 18 months prior to the end of the then-current Regulatory Cycle.



## Main Body

- ~~(i) — the end of the Initial Regulatory Period; or~~
- ~~(ii) — the end of the then-current Regulatory Cycle,~~
- ~~as the case may be.~~
- (d) NBN Co must give a Replacement Module Application to the ACCC no later than the due date specified by the ACCC in accordance with clause ~~5.2(c)~~~~4.5(c)~~.
- (e) A Replacement Module Application given to the ACCC by NBN Co for a proposed Regulatory Cycle within the Subsequent Regulatory Period must:
- (i) specify a proposed Regulatory Cycle commencing immediately after the last day of the ~~Initial Regulatory Period or the then-current~~~~previous~~ Regulatory Cycle ~~(as the case may be)~~, which must be either 3, 4 or 5 years in duration (unless fewer than 3 years remain in the ~~SAU Term~~Subsequent Regulatory Period, in which case, the proposed Regulatory Cycle will be for the number of years remaining in the ~~SAU Term~~Subsequent Regulatory Period);
- (ii) include a ~~LTRCM~~Building Block Model Proposal established in accordance with clause ~~5.3.4.6~~;
- (iii) include an Entry Level Offers Proposal established in accordance with clause 5.5;
- ~~(iii)(iv) include a RAB Roll Forward Proposal established in accordance with clause 4.7; include a Service Standards Proposal established in accordance with clause 5.6; and~~
- ~~(iv)(v) if the duration of the Regulatory Cycle proposed under clause 5.2(e)(i)~~~~4.5(e)(i)~~ is less than 5 years and the end of the proposed Regulatory Cycle is not the ~~SAU Expiry Date~~end of the Subsequent Regulatory Period, include all of the forecasts referred to in clause ~~5.3.4.6~~ for each Financial Year that is within 5 Financial Years of the commencement of the proposed Regulatory Cycle but is not within the proposed Regulatory Cycle ~~;~~~~and~~
- ~~(v) — include any other matters that NBN Co proposes to form part of that Replacement Module.~~
- (f) A Replacement Module Application given to the ACCC by NBN Co for a proposed Regulatory Cycle within the Post-2032 Regulatory Period:
- (i) must specify a proposed Regulatory Cycle commencing immediately after the last day of the Subsequent Regulatory Period or the then-current Regulatory Cycle (as the case may be), which must be either 3, 4 or 5 years in duration (unless fewer than 3 years remain in the SAU Term, in which case, the proposed Regulatory Cycle will be for the number of years remaining in the SAU Term);
- (ii) must specify proposed values of the Annual Regulated Revenue Allowance, Forecast Nominal ABBRR, Nominal Annual Drawdown of ICRA, Annual Module 3 ICRA Drawdown Percentage and Cumulative Inflation Factor for each Financial Year of the proposed Regulatory Cycle, determined in accordance with clause 3B.3;
- (iii) must include inputs required for the calculation of the Annual Regulated Revenue Allowance, Forecast Nominal ABBRR and Nominal Annual Drawdown of ICRA for each of the Financial Years in the proposed Regulatory Cycle, including the rate of return and taxation parameters;
- (iv) may include proposals in relation to the matters set out in clause 5.10(b); and

## Main Body

(v) must include such proposals, and be accompanied by such information, as requested in any applicable ACCC Statement of Approach in accordance with clause 3A.1.3 (except to the extent the ACCC has, in writing, withdrawn or waived any such requirement).

(g) The ACCC may publish any Replacement Module Application, and information and documents provided to the ACCC by NBN Co in support of any Replacement Module Application, subject to clause 6.3.

#### **4.6.5.3 LTRCM Building Block Model Proposal for a Regulatory Cycle within the Subsequent Regulatory Period**

(a) A Building Block Model LTRCM Proposal for a Regulatory Cycle within the Subsequent Regulatory Period must include:

(i) Forecast Nominal ABBRR, ~~and~~ Forecast Real ABBRR, Forecast Nominal Core Services ABBRR and Forecast Real Core Services ABBRR for each of the Financial Years in the proposed Regulatory Cycle determined in accordance with Schedule 2G (ABBRR and WAPC Revenue Requirement) ~~the principles set out in clause 2C.2.1;~~

~~(ii) if applicable, the Adjusted Forecast ABBRR for those Financial Years in the proposed Regulatory Cycle that are in the Building Block Revenue Period;~~

~~(iii)~~(ii) all necessary inputs required for the calculation of the Forecast Nominal ABBRR, ~~and~~ Forecast Real ABBRR, Forecast Nominal Core Services ABBRR and Forecast Real Core Services ABBRR for each of the Financial Years in the proposed Regulatory Cycle, including the rate of return, ~~asset lifetimes~~ and taxation parameters, determined in accordance with Schedule 2G (ABBRR and WAPC Revenue Requirement);

(iii) if the WAPC Factor Change Year has occurred (or is forecast to have occurred) in a previous Regulatory Cycle or is forecast to occur in the proposed Regulatory Cycle, the Nominal Annual Drawdown of ICRA for the forecast WAPC Factor Change Year (if the WAPC Factor Change Year is forecast to occur in the proposed Regulatory Cycle) and each Financial Year in the proposed Regulatory Cycle occurring after the WAPC Factor Change Year has occurred or is forecast to occur;

~~(iv) if applicable, all necessary inputs required for the calculation of the Adjusted Forecast ABBRR for those Financial Years in the proposed Regulatory Cycle that are in the Building Block Revenue Period;~~

~~(v) a proposal as to whether the calculation of Unrecovered Cost under clause 2C.5.3 should be based on actual Revenue or Annual Forecast Revenue;~~

~~(vi)~~(iv) Annual Core Services Forecast Revenue, Annual WAPC Services Forecast Revenue and Annual Non-WAPC Core Services Forecast Revenue for each of the Financial Years in the proposed Regulatory Cycle ~~that are in the Initial Cost Recovery Period and the related set of annual demand forecasts~~, where all revenue and demand forecast information on which the Annual Core Services Forecast Revenue, Annual WAPC Services Forecast Revenue and Annual Non-WAPC Core Services Forecast Revenue are based will use inputs that are consistent with the inputs used to ~~forecast~~ determine the Forecast Nominal Core Services ABBRR; ~~and~~

(v) the Annual WAPC Revenue Requirement for each of the Financial Years in the proposed Regulatory Cycle, determined in accordance with clause 2G.4.1;

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- (vi) [a statement as to whether the WAPC Factor Change Year is forecast to occur during the proposed Regulatory Cycle \(and, if so, the Financial Year in the proposed Regulatory Cycle that is forecast to be the WAPC Factor Change Year\); and](#)
- (vii) [if the WAPC Factor Change Year has occurred \(or is forecast to have occurred\) in a previous Regulatory Cycle or is forecast to occur in the proposed Regulatory Cycle, an X-factor which will apply in respect of the forecast WAPC Factor Change Year \(if the WAPC Factor Change Year is forecast to occur in the proposed Regulatory Cycle\) and those Financial Years in the proposed Regulatory Cycle occurring after the WAPC Factor Change Year has occurred or is forecast to occur, determined in accordance with clause 2D.2.4.](#)

- ~~(b) a proposal of how a change in tax will be addressed in the proposed Regulatory Cycle, including:~~
- ~~(i) whether any change to the Maximum Regulated Price of NBN Offers or Other Charges is to be made as a result of the change in tax and, if so, how the change is to be determined;~~
  - ~~(ii) whether any change to the Annual Forecast Revenues under clause 2C.3 is to be made as a result of the change in tax and, if so, how the change is to be determined; and~~
  - ~~(iii) whether any change to the Forecast Nominal ABBRR and Forecast Real ABBRR and, therefore, to the Adjusted Forecast ABBRR (if applicable), is to be made as a result of the change in tax and, if so, how the change is to be determined.~~

#### ~~4.7 RAB Roll Forward Proposal~~

~~A RAB Roll Forward Proposal must include:~~

- ~~(a) a method, consistent with clauses 2C.7.3 and 2C.7.4, for the roll-in of Capital Expenditure into the RAB from the proposed Regulatory Cycle to which the Replacement Module Application relates to the immediately following Regulatory Cycle; and~~
- ~~(b) a method, consistent with clauses 2C.7.3 and 2C.7.5, for accounting for depreciation in rolling forward the RAB to the beginning of the Regulatory Cycle immediately after the proposed Regulatory Cycle to which the Replacement Module Application relates.~~

#### 5.4 Additional requirements for the Replacement Module Application given in respect of the Second Regulatory Cycle

[In addition to the matters referred to in clause 5.3, the Building Block Model Proposal in the Replacement Module Application to be given by NBN Co to the ACCC in respect of the Second Regulatory Cycle must specify a proposed value of the Real Core Services RAB Portion as at 1 July 2023, calculated in accordance with clause 2G.5.2.](#)

*[Note: This value will be a key input into calculating the proposed value for the Real Core Services RAB Portion at the start of the Second Regulatory Cycle in accordance with clause 2G.5.2.](#)*

#### 5.5 Entry Level Offers Proposal

[An Entry Level Offers Proposal must state the NBN Offers that are proposed to be the Entry Level Offers for the relevant Regulatory Cycle, in accordance with clause 2B.4.](#)

#### 5.6 Service Standards Proposal

[A Service Standards Proposal must set out a proposal for Benchmark Service Standards for the relevant Regulatory Cycle, and a date by which NBN Co proposes to include in the SFAA published in accordance with clause 8, an obligation to meet or exceed Service Standards which are no less favourable to Access Seekers than the proposed Benchmark Service Standards.](#)

## 5.7 Consultation ahead of submitting a Replacement Module Application

- (a) Before providing a Replacement Module Application to the ACCC in respect of a Regulatory Cycle, NBN Co will consult with Access Seekers and Consumer Advocacy Groups on the Relevant Expenditure which NBN Co proposes to undertake in that Regulatory Cycle. In doing so, NBN Co will give Access Seekers and Consumer Advocacy Groups reasonable notice of, and a reasonable opportunity to participate in, the consultation.
- (b) When providing a Replacement Module Application to the ACCC in respect of a Regulatory Cycle, NBN Co will also provide to the ACCC a report that summarises the views that Access Seekers and Consumer Advocacy Groups put to NBN Co during the consultation referred to in clause 5.7(a) for that Regulatory Cycle, and states NBN Co's response to those views. In preparing that report, NBN Co will take into account the range of feedback received through that consultation.

## 4.85.8 ACCC Replacement Module Determination

- (a) The ACCC ~~must~~ may issue a determination (an ACCC Replacement Module Determination) in respect of any Regulatory Cycle which is after the First Regulatory Cycle, and may only do so:
- (i) where that Regulatory Cycle is within the Subsequent Regulatory Period:
- (A) after the date by which NBN Co must give the ACCC a Replacement Module Application in respect of that Regulatory Cycle, as specified by the ACCC in accordance with clause 5.2(c); and
- (B) at least 20 Business Days ~~prior to~~ before the last day of the ~~Regulatory Cycle Initial Regulatory Period or a~~ immediately before that Regulatory Cycle ~~as the case may be~~ (the last day of such period being the **Cycle Expiry Date**); ~~and if the ACCC has not accepted a Replacement Module Application that was to have had effect immediately after the relevant Cycle Expiry Date (an ACCC Replacement Module Determination).~~
- ~~(i)~~ (ii) where that Regulatory Cycle is within the Post-2032 Regulatory Period, at any time after the date by which NBN Co must give the ACCC a Replacement Module Application in respect of that Regulatory Cycle, as specified by the ACCC in accordance with clause 5.2(c).
- (b) In making an ACCC Replacement Module Determination under this clause 5.8, the ACCC must take into account the matters set out in section 152BCA(1) of the CCA and may take into account any other matters it thinks are relevant.
- (c) If the ACCC issues an ACCC Replacement Module Determination in accordance with clause 5.8(a), the ACCC must publish that ACCC Replacement Module Determination, together with its reasons, on its website, subject to clause 6.4.
- (d) Sections 152BCB(1), (3B), (3C) and (4A) of the CCA apply to an ACCC Replacement Module Determination as if the references to an access determination in those sections were references to an ACCC Replacement Module Determination.

## 5.9 ACCC Replacement Module Determinations for the Subsequent Regulatory Period

- ~~(b)~~ (a) The ACCC Replacement Module Determination for a Regulatory Cycle within the Subsequent Regulatory Period must determine the following matters ~~for each Financial Year of the Regulatory Cycle to which it relates that would have otherwise been covered by a Replacement Module:~~
- (i) a Regulatory Cycle commencing immediately after the relevant Cycle Expiry Date, which must be either 3, 4 or 5 years in duration (unless fewer than 3 years remain in the

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Subsequent Regulatory Period~~SAU Term~~, in which case, the Regulatory Cycle will be for the number of years remaining in the Subsequent Regulatory Period~~SAU Term~~); and

(ii) the matters referred to in, and in accordance with, clauses 5.3 to 5.6~~4.6 and 4.7~~,

where those matters may be as proposed by NBN Co in its Replacement Module Application in respect of that Regulatory Cycle or otherwise as determined by the ACCC in accordance with this Special Access Undertaking.

(b) In addition to the matters referred to in clause 5.9(a), any ACCC Replacement Module Determination issued by the ACCC in respect of the Second Regulatory Cycle must specify the value of the Real Core Services RAB Portion as at 1 July 2023, calculated in accordance with clause 2G.5.2.

*Note: This value will be a key input into calculating the Real Core Services RAB Portion at the start of the Second Regulatory Cycle in accordance with clause 2G.5.2.*

(c) In making an ACCC Replacement Module Determination for a Regulatory Cycle within the Subsequent Regulatory Period~~under this clause 4.8~~;

(i) ~~the ACCC must take into account the matters set out in section 152BCA(1) of the CCA and may take into account any other matters it thinks are relevant~~actual Capital Expenditure and Operating Expenditure forecast to be incurred on a project or program which is the subject of a Government Policy Project Notice:

(A) will be the prudent expenditure that an operator in NBN Co's position would incur for the purposes of clause 2G.2.5(c)(iii) to the extent that such actual Capital Expenditure and Operating Expenditure is forecast to be incurred in a manner that implements the details of the project or program as specified in that Government Policy Project Notice (and otherwise will be assessed as to whether it is the prudent expenditure that an operator in NBN Co's position would incur, including to the extent that no such details are specified in the relevant notice); and

(B) will be assessed as to whether it is the efficient expenditure that an operator in NBN Co's position would incur on that project or program for the purposes of clause 2G.2.5(c)(iii), having regard to the Expenditure Factors in accordance with clause 2G.2.5(d); and

(ii) in respect of a project or program which is the subject of a Government Policy Project Notice and for which a maximum amount of Operating Expenditure and/or Capital Expenditure per Financial Year is specified in the relevant Government Policy Project Notice, the ACCC may cap the amount of forecast Operating Expenditure and/or the amount of Capital Expenditure associated with that project or program to be used as input into the calculation of:

(A) the Forecast Nominal ABBRR and Forecast Nominal Core Services ABBRR; and

(B) in respect of Capital Expenditure, the roll-forward value of each of the RAB and the Core Services RAB Portion,

at the relevant maximum amount specified in that Government Policy Project Notice.

(d) If the ACCC has not issued an ACCC Replacement Module Determination under clause 5.8(a) in respect of a Regulatory Cycle in the Subsequent Regulatory Period within the timeframe referred to in that clause, then for the purposes of applying this Special Access Undertaking, an ACCC Replacement Module Determination will be taken to be in effect during that Regulatory Cycle, in

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which the matters for each Financial Year of that Regulatory Cycle which the ACCC would otherwise have been required to determine under clauses 5.9(a)(i) and 5.9(a)(ii) are as stated in NBN Co's Replacement Module Application for that Regulatory Cycle.

- (e) An ACCC Replacement Module Determination for a Regulatory Cycle within the Subsequent Regulatory Period must determine the matters referred to in clause 5.6 in a manner which provides NBN Co with a reasonable period of time to:
  - (i) comply with its obligations under clause 21.2.1(a); and
  - (ii) implement and give effect to Service Standards which are no less favourable to Access Seekers than the Benchmark Service Standards.
- (f) The ACCC may only issue an ACCC Replacement Module Determination once for each Regulatory Cycle within the Subsequent Regulatory Period, except as provided for in clause 5.12.
- (g) An ACCC Replacement Module Determination for a Regulatory Cycle within the Subsequent Regulatory Period will only be in effect for the Regulatory Cycle determined in that ACCC Replacement Module Determination, subject to clause 5.12.

## **5.10 ACCC Replacement Module Determinations for the Post-2032 Regulatory Period**

### **Issuing of ACCC Replacement Module Determinations**

- (a) An ACCC Replacement Module Determination for a Regulatory Cycle within the Post-2032 Regulatory Period must determine the following matters:
  - (i) a Regulatory Cycle commencing immediately after the relevant Cycle Expiry Date, which must be either 3, 4 or 5 years in duration (unless fewer than 3 years remain in the SAU Term, in which case, the Regulatory Cycle will be for the number of years remaining in the SAU Term); and
  - (ii) the values of the Annual Regulated Revenue Allowance, Forecast Nominal ABBRR, Nominal Annual Drawdown of ICRA, Annual Module 3 ICRA Drawdown Percentage and Cumulative Inflation Factor, and the values of the inputs into those amounts, for each Financial Year of the Regulatory Cycle, determined in accordance with clause 3B.3,

where those matters may be as proposed by NBN Co in its Replacement Module Application in respect of that Regulatory Cycle or otherwise as determined by the ACCC in accordance with this Special Access Undertaking.

- (b) Subject to Schedule 3B, an ACCC Replacement Module Determination for a Regulatory Cycle within the Post-2032 Regulatory Period may include:
  - (i) maximum Prices for NBN Offers and Other Charges in respect of that Regulatory Cycle;
  - (ii) a framework for setting or controlling maximum Prices for NBN Offers and Other Charges in respect of that Regulatory Cycle, including to account for the temporary application of any transitional arrangements under clauses 5.10(g) or 5.10(h), or transitional arrangements included in a prior ACCC Replacement Module Determination of the type referred to in clause 5.10(b)(vi);
  - (iii) rules applicable to the scope, form and publication by NBN Co of tariff lists and pricing roadmaps in respect of that Regulatory Cycle;
  - (iv) benchmark service standards relating to the service quality or service performance of the NBN Access Service, Ancillary Services and the Facilities Access Service in respect of that

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Regulatory Cycle, including any service levels and service performance objectives, and rebates and corrective action for failure to meet such service levels and service performance objectives, and a date by which NBN Co will include in the SFAA published in accordance with clause 8, an obligation to meet or exceed service standards which are no less favourable to Access Seekers than such benchmark service standards;

- (v) rules applicable to NBN Co's development and withdrawal of Products, Product Components, Product Features, Ancillary Services and types of Facilities Access Service; and
  - (vi) the matters set out in clauses 5.10(b)(i) to (v) that will apply on a transitional basis from the start of the next Regulatory Cycle until the ACCC makes an ACCC Replacement Module Determination for the next Regulatory Cycle if, prior to that next Regulatory Cycle, the ACCC has not made such an ACCC Replacement Module Determination.
- (c) Each ACCC Replacement Module Determination must provide NBN Co with a reasonable period of time to implement and give effect to the matters set out in the ACCC Replacement Module Determination in compliance with NBN Co's obligations in Module 3.
- (d) The ACCC may perform such functions, undertake such activities and make such determinations as are reasonably necessary for, or ancillary to, giving effect to an ACCC Replacement Module Determination for a Regulatory Cycle within the Post-2032 Regulatory Period, and any matters or requirements specified in such an ACCC Replacement Module Determination.
- (e) An ACCC Replacement Module Determination for a Regulatory Cycle within the Post-2032 Regulatory Period will only be in effect for the Regulatory Cycle determined in that ACCC Replacement Module Determination, subject to:
- (i) clauses 5.10(f) and 5.12; and
  - (ii) any transitional arrangements set in that ACCC Replacement Module Determination pursuant to clause 5.10(b)(vi) continuing to apply until an ACCC Replacement Module Determination is made for the next Regulatory Cycle.

#### **Revocation of ACCC Replacement Module Determination**

- (f) The ACCC may revoke an ACCC Replacement Module Determination (in this clause 5.10(f), the **Revoked Determination**) for a Regulatory Cycle within the Post-2032 Regulatory Period and substitute a new ACCC Replacement Module Determination at any time during the Regulatory Cycle determined in the Revoked Determination. If the ACCC does so:
- (i) the ACCC will specify in the new ACCC Replacement Module Determination a date on which that determination takes effect, where that date must be on or after the date on which that determination is issued;
  - (ii) the new ACCC Replacement Module Determination will take effect on the date specified by the ACCC pursuant to clause 5.10(f)(i); and
  - (iii) the Regulatory Cycle for the substituted ACCC Replacement Module Determination must end on the same day as the Regulatory Cycle determined in the Revoked Determination was to end.

#### **Transitional provisions for the Post-2032 Regulatory Period**

- (g) If the ACCC has not issued a first ACCC Replacement Module Determination under clause 5.8(a) in respect of a regulatory cycle in the Post-2032 Regulatory Period by 31 March 2032:

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- (i) NBN Co will, by no later than 1 May 2032, publish a tariff list in respect of the Financial Year commencing on 1 July 2032 containing information equivalent to information to be set out in a Tariff List published in accordance with clause 2B.2.3(a). The Price for the supply of an NBN Offer and the Price of an Other Charge at any point in time during that Financial Year must not be higher than the relevant Price in the tariff list;
- (ii) the Prices stated in the tariff list published by NBN Co under clause 5.10(g)(i) must:
  - (A) for WAPC Charge Components, comply with the WAPC formula in clause 2D.2.2, where the  $X_t$  will be the same as the  $X_t$  that applied in Financial Year 2031/32;
  - (B) if subject to Individual Price Controls in clauses 2E.2.2 to 2E.2.4 at the end of the Subsequent Regulatory Period, comply with those Individual Price Controls; and
  - (C) if subject to the TC-4 Price Relativity Restriction at the end of the Subsequent Regulatory Period, comply with the TC-4 Price Relativity Restriction;
- (iii) NBN Co may only update the tariff list published by NBN Co under clause 5.10(g)(i) throughout the Financial Year to reflect:
  - (A) a change to the Price of a previously Zero-Priced NBN Offer or Other Charge;
  - (B) the Price on introduction of any new NBN Offer, Other Charge or other WAPC Charge Components; or
  - (C) any determination by NBN Co to reduce a Price in the tariff list;
- (iv) NBN Co will, by no later than 1 May 2032, publish a pricing roadmap for the next three Financial Years containing the same information set out in clause 2B.2.4(a), in accordance with the same conditions as set out in clause 2B.2.4(b);
- (v) NBN Co will continue to include in the SFAA published in accordance with clause 8, an obligation to meet or exceed Service Standards which are no less favourable to Access Seekers than the Benchmark Service Standards as they apply at the end of the last Regulatory Cycle in the Subsequent Regulatory Period; and
- (vi) NBN Co will comply with Schedule 2H (Product Development and Withdrawal), notwithstanding clause 2H.1.1.

Any defined term used in this clause 5.10(g) which is defined in Module 2 will have the same meaning when used in this clause 5.10(g), except that references in such definitions to the Subsequent Regulatory Period will be references to the Post-2032 Regulatory Period, unless expressly provided otherwise.

- (h) If by 31 March 2033 or by 31 March of any subsequent year, the ACCC has not issued a first ACCC Replacement Module Determination under clause 5.8(a) in respect of a regulatory cycle in the Post-2032 Regulatory Period, then clause 5.10(g) will apply as though each reference to 2032 in clause 5.10(g)(i) and clause 5.10(g)(iv) is a reference to 2033 or the relevant subsequent year, where the relevant Pricing Roadmap for the purposes of the TC-4 Price Relativity Restriction will be the pricing roadmap published by NBN Co pursuant to clause 5.10(g)(iv).
- (i) Clauses 5.10(g) and 5.10(h) will have no further effect on and from the date on which the ACCC issues the first ACCC Replacement Module Determination made in respect of a regulatory cycle in the Post-2032 Regulatory Period.
- ~~(c) The ACCC must publish any ACCC Replacement Module Determination made under this clause 4.8, together with its reasons, on its website.~~



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- ~~(d) Sections 152BCB(1), (3B), (3C) and (4A) of the CCA apply to an ACCC Replacement Module Determination as if the references to an access determination in those sections were references to an ACCC Replacement Module Determination.~~
- ~~(e) In making an ACCC Replacement Module Determination under this clause 4.8, the ACCC may consult with NBN Co and such other persons as the ACCC considers appropriate, and must consider any submissions that are received within the time limit it specifies.~~
- ~~(f) NBN Co will comply with the terms of an ACCC Replacement Module Determination for the duration of the Regulatory Cycle to which it relates, subject to clause 4.8(h).~~
- ~~(g) If:~~
- ~~(i) the ACCC has issued an ACCC Replacement Module Determination for a Regulatory Cycle; but~~
  - ~~(ii) the ACCC subsequently accepts a Replacement Module Application for that upcoming Regulatory Cycle prior to the Cycle Expiry Date for the then current Regulatory Cycle,~~
- ~~any ACCC Replacement Module Determination that was to apply for the next Regulatory Cycle as at the date of acceptance of that Replacement Module Application will no longer have effect.~~

### **5.11 Draft Replacement Module Determination Decision**

By 31 March of the last Financial Year of each Regulatory Cycle, except for the last Regulatory Cycle of the SAU Term, the ACCC may publish on its website the ACCC's preliminary view regarding:

- (a) the matters to be determined pursuant to clauses 5.9(a) and 5.9(b) as part of any such ACCC Replacement Module Determination (for a Regulatory Cycle within the Subsequent Regulatory Period); or
- (b) the matters to be determined pursuant to clause 5.10(a) and clause 5.10(b) (for a Regulatory Cycle within the Post-2032 Regulatory Period),

(Draft Replacement Module Determination Decision), subject to clause 6.4.

### **5.12 Revocation of ACCC Replacement Module Determination for error**

- (a) The ACCC may (but is not required to) revoke an ACCC Replacement Module Determination if the ACCC considers that there is a material error or deficiency in the ACCC Replacement Module Determination of one or more of the following kinds:
  - (i) a clerical error or an accidental omission;
  - (ii) a miscalculation or a misdescription;
  - (iii) a defect in form; or
  - (iv) a deficiency resulting from the provision of false or materially misleading information to the ACCC.
- (b) A condition of the ACCC revoking an ACCC Replacement Module Determination under this clause 5.12 is that the ACCC must, on the same day as the revocation, issue a new ACCC Replacement Module Determination in substitution for the revoked ACCC Replacement Module Determination to apply for the Regulatory Cycle in respect of which the revoked ACCC Replacement Module Determination was to apply.

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- (c) If the ACCC revokes and substitutes an ACCC Replacement Module Determination under clauses 5.12(a) and 5.12(b), the substituted ACCC Replacement Module Determination:
- (i) must only vary from the revoked ACCC Replacement Module Determination to the extent necessary to correct the relevant error or deficiency; and
  - (ii) takes effect on the day on which it was made.
- (d) The ACCC may only revoke and substitute an ACCC Replacement Module Determination under this clause 5.12 if the ACCC has first consulted with NBN Co and such other persons as the ACCC considers appropriate.
- (e) If the ACCC revokes and substitutes an ACCC Replacement Module Determination under this clause 5.12, the ACCC must publish the substituted ACCC Replacement Module Determination, together with its reasons, on its website, subject to clause 6.4.

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## **6 Other matters**

### **6.1 ACCC consultation in connection with this SAU**

- (a) The ACCC may invite such persons as it considers appropriate to make submissions on matters arising in connection with this Special Access Undertaking, including on matters arising in connection with the performance or exercise of the functions and powers conferred on the ACCC by this Special Access Undertaking pursuant to section 152CBA(10A) of the CCA (**ACCC Consultation**).
- (b) The ACCC may publish those submissions, subject to clause 6.4.
- (c) The ACCC may conduct the ACCC Consultation in such manner as it considers appropriate provided that it gives NBN Co reasonable notice of, and a reasonable opportunity to participate in, the ACCC Consultation.

### **6.2 Manner in which functions and powers are performed or exercised**

In the course of performing or exercising the following functions and powers conferred on the ACCC by this Special Access Undertaking pursuant to section 152CBA(10A) of the CCA:

- (a) issuing an ACCC Replacement Module Determination under clauses 5.8, 5.10(f) or 5.12, or a Draft Replacement Module Determination under clause 5.11;
- (b) accepting or rejecting a Price Rectification Plan under clause 2C.4.2(c)(iii), or making an alternate price rectification plan under clause 2C.4.2(f);
- (c) issuing a determination in relation to a Cost Pass-Through Event under clause 2D.5.4;
- (d) accepting or rejecting a Service Standard Response under clause 2I.2.2(c) or issuing an ACCC Service Standard Determination under clause 2I.2.2(e);
- (e) accepting or rejecting a Benchmark Service Standards Change Proposal under clause 2I.2.3(f); or
- (f) issuing an ACCC Statement of Approach under clause 3A.1.3,

the ACCC will give NBN Co a reasonable opportunity to make submissions in respect of material issues relevant to the relevant determination, decision or statement before it is issued or made.

### **6.3 ACCC information and document request**

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- (a) At any time, the ACCC may request information and documents from NBN Co that the ACCC considers reasonably necessary for it to:
- (i) administer, and assess NBN Co's compliance with, this Special Access Undertaking; or
- (ii) perform or exercise the functions and powers conferred on the ACCC by this Special Access Undertaking pursuant to section 152CBA(10A) of the CCA.
- (b) NBN Co must comply with a request made by the ACCC under this clause 6.3 within any reasonable timeframe specified by the ACCC.

#### **6.4 Confidentiality**

- (a) In the course of performing or exercising the functions and powers conferred on the ACCC by this Special Access Undertaking pursuant to section 152CBA(10A) of the CCA, the ACCC must only disclose the confidential information of NBN Co in accordance with the ACCC's confidentiality procedures, or as otherwise required or permitted by law, or with NBN Co's prior written consent. For clarity, for the purposes of this clause 6.4, confidential information does not include information which is in the public domain.
- (b) Where the ACCC proposes to disclose to a third party, in the course of performing or exercising the functions and powers conferred on the ACCC by this Special Access Undertaking pursuant to section 152CBA(10A) of the CCA, any information or document of NBN Co which NBN Co has identified to the ACCC as confidential, the ACCC will give as much notice to NBN Co as is reasonably practicable, so that NBN Co has an opportunity to protect the confidentiality of the information or document.

#### **6.5 Government Policy Project Notices**

During the Subsequent Regulatory Period, NBN Co will:

- (a) provide to the ACCC a copy of any Government Policy Project Notice promptly upon receipt from the Communications Minister; and
- ~~(h)~~(b) promptly notify the ACCC of any update or withdrawal of a Government Policy Project Notice.

## **57 Fixed principles terms and conditions**

### **5.17.1 Overview**

This clause ~~75~~ sets out the fixed principles terms and conditions of this Special Access Undertaking for the purposes of section 152CBAA(1) of the CCA.

### **5.27.2 Notional fixed period**

The notional fixed period for the fixed principles terms and conditions identified in this Special Access Undertaking:

- (a) commences on the SAU Commencement Date; and
- (b) continues in effect until the end of the SAU Term.

### **5.37.3 Fixed principles terms and conditions**

Clauses ~~2G.2.1(a)~~~~2C.2.1(a)~~, ~~2C.5.4(a)~~, ~~2G.5.12C.7.2~~ and ~~2G.5.3(a)~~~~2C.7.3(a)~~ are fixed principles terms and conditions of this Special Access Undertaking.

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#### **5.47.4 Qualifying circumstances**

- (a) This clause ~~7.45.4~~ sets out the qualifying circumstances that, for the purposes of section 152CBAA(2) of the CCA, apply to the fixed principles terms and conditions in this Special Access Undertaking.
- (b) A qualifying circumstance exists if the ACCC is satisfied that:
  - (i) there is a manifest and material error in the fixed principles terms and conditions; or
  - (ii) any information on which the fixed principles terms and conditions was based was false or misleading in a material respect.

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## **68 Obligation for NBN Co to produce and maintain SFAA**

NBN Co will publish and maintain an SFAA for the duration of the SAU Term in relation to the supply of the NBN Access Service, the Ancillary Services and the Facilities Access Service.

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## **79 Variation, withdrawal and extension of this Special Access Undertaking**

### **7.19.1 Variation**

- (a) Pursuant to section 152CBG of the CCA, NBN Co may, at any time, request the ACCC to consider a variation to this Special Access Undertaking by providing the ACCC with such a variation.
- (b) Any variation to this Special Access Undertaking comes into operation on the date that the ACCC provides NBN Co with written notice of acceptance of that variation in accordance with section 152CBG(5) of the CCA.

### **7.29.2 Withdrawal**

Pursuant to section 152CBI(2)(b) of the CCA, NBN Co may withdraw this Special Access Undertaking at any time by giving the ACCC no less than 12 months' prior written notice.

### **7.39.3 Extension of the SAU Term**

- (a) NBN Co may, at any time within the 12-month period ending at the end of the SAU Term, apply to the ACCC under section 152CBE of the CCA to extend the SAU Term. If the ACCC approves the extension of the SAU Term pursuant to section 152CBE of the CCA, the SAU Term will be extended in accordance with that approval.
- (b) The ACCC must approve an extension of the SAU Term (or further extension) if, subject to the same matters referred to in sections 152CBD(5A) and 152CBD(5C) of the CCA:
  - (i) the ACCC is satisfied of the same matters referred to in sections 152CBD(2)(b), 152CBD(2)(c), 152CBD(2)(ca) and 152CBD(2)(cb) of the CCA; and
  - (ii) the ACCC does not consider that any one or more of the conditions specified in section 152CBD(4) of the CCA exist,

as if all of the matters referred to in clauses ~~9.3(b)(i)7.3(b)(i)~~ and ~~9.3(b)(ii)7.3(b)(ii)~~ applied to the extension (or further extension).

## **9.4 NBN Co to submit variations to this Special Access Undertaking for error**

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- (a) If NBN Co reasonably considers that this Special Access Undertaking is affected by a material error or deficiency of one or more of the following kinds:
- (i) a clerical error or an accidental omission;
  - (ii) a miscalculation or misdescription;
  - (iii) a defect in form; or
  - (iv) a deficiency resulting from the provision of false or materially misleading information to the ACCC,
- then NBN Co will give the ACCC, as soon as reasonably practicable but subject to clause 9.4(b), a variation to this Special Access Undertaking pursuant to section 152CBG of the CCA, which seeks to correct that error or deficiency.
- (b) If NBN Co has already given the ACCC a variation to this Special Access Undertaking pursuant to section 152CBG of the CCA (**Existing Variation**) at the time that clause 9.4(a) is first satisfied in respect of a material error or deficiency, and the Existing Variation has not been withdrawn by NBN Co, then the obligation under clause 9.4(a) to give the ACCC a variation to this Special Access Undertaking in respect of that error or deficiency will only arise after:
- (i) the ACCC has decided to accept or reject the Existing Variation pursuant to section 152CBG of the CCA; or
  - (ii) the Existing Variation is withdrawn by NBN Co.
- (c) NBN Co must prepare and give such variations to this Special Access Undertaking in good faith, having regard to the matters in sections 152AB and 152AH of the CCA.

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## **10 Service declared by the ACCC**

- (a) NBN Co acknowledges that this Special Access Undertaking does not affect the ACCC's ability to declare a service under section 152AL(8A) of the CCA (in this clause 10, ACCC-Declared Service), even if the service falls, to any extent, within the scope of the services that are declared services under section 152AL(8E) of the CCA as a consequence of the operation of this Special Access Undertaking.
- ~~(c)~~(b) For the avoidance of doubt, this Special Access Undertaking does not affect NBN Co's obligations under section 152AXB of the CCA in respect of any ACCC-Declared Service, including the obligation to supply that ACCC-Declared Service in accordance with the CCA.

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## Attachment A Service Descriptions

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### 1 General

NBN Co gives this Special Access Undertaking in respect of the NBN Access Service and the Ancillary Services.

### 2 NBN Access Service

- (a) The NBN Access Service is a Layer 2 service\* supplied on the NBN Co Network between and including:
- (i) a UNI ~~on an NTD~~ used to serve a Premises; and
  - (ii) the NNI ~~associated with the relevant NTD~~ used to serve that Premises,
- for the purpose of enabling an Access Seeker (or another Service Provider that is a customer of an Access Seeker) to supply Carriage Services or Content Services.
- (b) In addition to Layer 2 of the OSI Model at which NBN Co makes the NBN Access Service available to an Access Seeker, the NBN Access Service also comprises components from lower levels of the OSI Model, such as Layer 0 and Layer 1 components and some Layer 3 awareness referred to in clause 1A.3.5.
- (c) The network boundary point in respect of ~~each~~the NBN Co [Fibre Network, NBN Co FTTB Network, NBN Co FTTN Network, NBN Co HFC Network, NBN Co Wireless Network and NBN Co Satellite Network](#):
- (i) at the Premises, is the End User side of the UNI; and
  - (ii) at the POI, is located on the Access Seeker side of the NNI.
- (d) The network boundary point in respect of the NBN Co FTTC Network:
- (i) at the Premises:
    - (A) for Premises at an MDU Site, is the Customer Side MDF; and
    - (B) for Premises not at an MDU Site, is the first Telecommunications Outlet or Passive NTD; and
  - (ii) at the POI, is located on the Access Seeker side of the NNI.

*\* Where an active or powered network termination device is not supplied by NBN Co as part of the NBN Access Service, an NBN Co compliant device will need to be connected to the NBN Access Service in respect of the relevant Premises.*

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### 3 Ancillary Services

The Ancillary Services are the services supplied by NBN Co that facilitate the supply of the NBN Access Service, including:

- (a) a service supplied by NBN Co that supports an Access Seeker to perform activation and assurance related transactions; and

Attachment A (Service Description)

- (b) a test and verification service supplied by NBN Co that enables an Access Seeker to prepare for, and perform, certain network and operational interoperability testing in relation to the NBN Access Service and development and implementation by that Access Seeker of Carriage Services, Content Services and operational platforms that utilise components and functionality of the NBN Access Service,

but excludes the Facilities Access Service.

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## Attachment B Facilities Access Service

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### 1 General

The terms and conditions relating to the Facilities Access Service are set out in this Special Access Undertaking in connection with the satisfaction of NBN Co's interconnection obligations under section 152AXB(4) of the CCA in relation to the NBN Access Service and the Ancillary Services.

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### 2 Facilities Access Service

The Facilities Access Service is a service that provides:

- (a) cross-connection;
- (b) co-location for a Carrier or Carriage Service Provider to install, operate and maintain its telecommunications equipment at or near a POI for the purpose of supporting interconnection with the NBN Co Network in connection with the NBN Access Service and the Ancillary Services;
- (c) NBN Co ODF termination point; and
- (d) other Facilities supplied by NBN Co that are necessary to facilitate entry to buildings, such as cable trays or building duct access.



## Attachment C Dictionary

### 1 Definitions

**ABS ~~Labour-Wage~~ Price Index for Private Sector Construction** means the ~~Labour-Wage~~ Price Index published by the Australian Bureau of Statistics (or successor organisation) on a quarterly basis to measure changes in the price of labour services in the private construction industry. The ~~Labour-Wage~~ Price Index is compiled from hourly wage and salary costs for a representative sample of employee jobs within a sample of employing organisations.

**ACCC** means the Australian Competition & Consumer Commission.

**ACCC Statement of Approach** has the meaning given to that term in clause 3A.1.3.

**ACCC-Declared Service** has the meaning given to that term in clause 10(a);

~~(a) in relation to the Initial Regulatory Period, in clause 1A.8(a); and~~

~~(b) in relation to the Subsequent Regulatory Period, in clause 2A.2(a).~~

**ACCC Determined Price Review Arrangement** has the meaning given to that term:

~~(c) in relation to the Initial Regulatory Period, in clause 1G.3.3(a)(ii)(A); and~~

~~(d) in relation to the Subsequent Regulatory Period, in clause 2E.2.3(a)(ii)(A).~~

**ACCC Replacement Module Determination** has the meaning given to that term in clause ~~5.84.8~~.

**ACCC Service Standard Determination** has the meaning given to that term in clause 21.2.2(e).

**ACCC Service Standards Change Event** means:

(a) the ACCC accepting a Service Standard Response under clause 21.2.2(c); or

(b) the ACCC issuing an ACCC Service Standard Determination under clause 21.2.2(e).

**Access Agreement** means an “access agreement” within the meaning of section 152BE of the CCA between NBN Co and an Access Seeker in relation to the supply of the NBN Access Service, the Ancillary Services or the Facilities Access Service.

**Access Component** means the UNI and/or the AVC, as the context requires.

**Access Component Modification** means, in respect of a Premises, the modification of:

(a) an AVC to:

(i) change the bandwidth profile or UNI allocation;

(ii) change Customer – Virtual Local Area Network used to identify the AVC at the NNI;

(iii) associate the AVC with a different CVC supplied to the Access Seeker in the same CSA; or

(b) an Access Component to:

(i) enable or remove a UNI-V and associated AVC; or

~~(ii) enable or remove an associated MAVC or change the bandwidth profile of an associated MAVC; or~~

~~(iii)~~(ii) enable or disable an Enhanced-12 Fault Service Level.

**Access Component Reactivation** means the second or later activation of ~~the~~ Access Components by NBN Co (for an Access Seeker) in respect of:

(a) a Premises for which NBN Co determines that the activation requires no works in respect of any Connecting Equipment, except for any one or more of the following:

(i) the replacement of a missing or damaged NTD or FTTC-NCD (as applicable); or

(ii) the reinstatement of an existing Copper Connecting Cable or the replacement of a missing or damaged Copper Connecting Cable; or

(b) a Premises connected to the NBN Co Satellite Network, where Access Components were previously being provided by NBN Co on the same NTD.

~~to be made available by NBN Co to an Access Seeker in respect of an NTD at a Premises where:~~

~~(a) NBN Co has previously made available Access Components in respect of that NTD at that Premises; and~~

~~(b) NBN Co (or an Installer) is not required to attend that Premises to activate those Access Components.~~

**Access Determination** means an access determination made by the ACCC pursuant to section 152BC of the CCA and includes an Interim Access Determination.

**Access Seeker** has the meaning given to that term in section 152AG of the CCA.

**Access Seeker Active Equipment** means active equipment that is:

(a) owned, controlled or operated by an Access Seeker;

(b) used, or to be used, by the Access Seeker in relation to the transmission of traffic in connection with the NBN Co Network; and

(c) of a type approved by NBN Co,

and any other equipment as advised by NBN Co from time to time, excluding hosting servers, content distribution network infrastructure, and any other equipment that is used by the Access Seeker other than in relation to equipment to support the transmission of traffic on the NBN Access Service, ~~and any other equipment as advised by NBN Co from time to time.~~

Access Seeker Daily Combined Charge has the meaning given to that term in clause 2F.4.1(a).

Access Seeker Equipment means any equipment that is:

(a) used by an Access Seeker in connection with the NBN Co Network, the NBN Co Platform, the National Test Facility or any Ordered Product; or

(b) provided by or on behalf of an Access Seeker to any Downstream Customer to whom it supplies Access Seeker Products for use in connection with the NBN Co Network or any Access Seeker Product,

but excludes all NBN Co Equipment and Common MDU Site Equipment.

Access Seeker Installed NBN Co Equipment means any NBN Co Equipment supplied by NBN Co in respect of the NBN Co HFC Access Service or NBN Co FTTC Access Service:

Attachment C (Dictionary)

(a) under terms of use, supply or installation issued by NBN Co to an Access Seeker from time to time; and

(b) which is installed (or is supplied for the purpose of installation) by that Access Seeker or a Downstream Customer,

following an election by the Access Seeker in accordance with the WBA Operations Manual for the Access Seeker to perform the installation.

**Access Seeker Product** means a retail or wholesale product or service supplied by an Access Seeker to a third party that relies on an Ordered Product as in input.

**Access Virtual Circuit** or **AVC** has the meaning given to that term in clause 1A.3.2.

**Accounting Separation Establishment Date** has the meaning given to that term in clause 21.6.3(a).

**ACT Utilities Tax** means the tax imposed under the *Utilities (Network Facilities Tax) Act 2006* (ACT).

**Actual Financial Information** has the meaning given to that term in clause 1F.1.3(a).

**Additional Asymmetric AVC Offer** means each of the offers described in clause 1C.2.3.

**Additional / Replacement Access Card** means where NBN Co provides an additional or replacement access card to an Access Seeker in respect of a Type 1 Facility or Type 2 Facility.

**After Hours Installation Appointment** means an appointment identified by NBN Co as an “After Hours Installation Appointment” and is set for a period between:

(a) 5:00pm to 9:00pm on a Business Day;

(b) 8:00am to 12:00pm on a Saturday or Sunday; or

(c) 1:00pm to 5:00pm on a Saturday or Sunday.

**Aggregation Node Site** means, collectively, those parts of a building that are within the Site Boundary in respect of an Established POI, at which:

- (a) NBN Co presents the NNI;
- (b) NBN Co supplies NBN Co Co-location; or
- (c) NBN Co supplies Cross-Connects.

~~**Adjusted Forecast ABBRR** has the meaning given to that term in clause 2C.6.1(a).~~

**Ancillary Services** has the meaning given to that term in clause 3 of Attachment A (Service Descriptions) and includes:

- (a) the Initial Products described in clause 2 of Attachment D (Initial Products);
- (b) any new or varied Ancillary Service introduced by NBN Co pursuant to Schedule 1I (Product Development and Withdrawal) or ~~Schedule 2H~~ ~~Schedule 2D~~ (Product Development and Withdrawal); and
- (c) any new or varied Ancillary Service introduced by NBN Co that is a Licence Condition Product.

**Annual Building Block Revenue Requirement** or **ABBRR** is calculated in accordance with:

- (a) during the Initial Regulatory Period, clause 1E.4; and

## Attachment C (Dictionary)

(b) during the Subsequent Regulatory Period, clause [2G.2C.2](#).

**Annual Construction in Progress Allowance** or **ACIPA** has the meaning given to that term in clause [1E.91E.10](#) or [2G.2.3\(a\)](#) (as relevant).

**Annual Core Services Forecast Revenue** means, in respect of a Financial Year, the Core Services Revenue that is forecast to be earned in that Financial Year ~~is calculated in accordance with clause 2C.3.1(a) during the Initial Cost Recovery Period.~~

**Annual Module 2 ICRA Drawdown Percentage** is calculated in accordance with clause [2G.4.2](#).

**Annual Module 3 ICRA Drawdown Percentage** is calculated in accordance with clause [3B.3.6](#).

**Annual Non-WAPC Core Services Forecast Revenue** means, in respect of a Financial Year, the Core Services Revenue that is forecast to be earned in that Financial Year in connection with Non-WAPC Core Service Charges.

**Annual Regulated Revenue Allowance** is calculated in accordance with clause [3B.3.1\(b\)](#).

**Annual WAPC Revenue Requirement** has the meaning given to that term in clause [2G.4.1](#).

**Annual WAPC Services Forecast Revenue** means, in respect of a Financial Year, the Annual Core Services Forecast Revenue minus the Annual Non-WAPC Core Services Forecast Revenue.

**Annual WAPC Services Revenue** means, in respect of a Financial Year, the Core Services Revenue earned by NBN Co or any Related Body Corporate of NBN Co in that Financial Year, but excluding all Core Services Revenue earned by NBN Co or any Related Body Corporate of NBN Co in connection with Non-WAPC Core Service Charges.

**Approved Accounting Procedures** has the meaning given to that term in clause [2I.6.2\(b\)](#).

**Asset Class** means, in respect of the Relevant Assets, a distinct class of asset, with the condition that all assets within that class have a similar function or a similar standard asset lifetime.

**Asset Type** means each distinct type of asset in connection with the Relevant Assets, with the condition that all assets classified in a single Asset Type have the same asset lifetime.

**Asymmetric AVC Offer** means each of the offers described in clause [1C.2.2](#).

**Average Combined Charge** has the meaning given to that term in clause [2F.4.1\(c\)](#).

**B2B** means business to business.

**B2B Access** has the meaning given to that term in clause [1A.6.1\(b\)\(i\)](#).

**Backward-looking Price Controls** means the price controls in clause [2E.3](#).

**Benchmark Service Standards** means the Service Standards set out in an SAU Service Standards Instrument as may be changed from time to time in accordance with clauses [2I.2.2](#) to [2I.2.3](#).

**Benchmark Service Standards Change Proposal** has the meaning given to that term in clause [2I.2.3\(c\)](#).

**Binding Rule of Conduct** means a binding rule of conduct made by the ACCC pursuant to section 152BD of the CCA.

~~**Building Block Revenue Period** means the period from the start of the Financial Year immediately after the Methodology Change Event occurs until the end of the SAU Term.~~

**Building Block Model Proposal** comprises the matters set out in clause 5.3.

**Bundled TC-2 Offer** means an NBN Offer comprising a bundle of only an AVC TC-2, CVC TC-2 inclusion and Enhanced-12 (24/7) Fault Service Level, to which additional charges apply for CVC TC-2 provisioned in conjunction with that NBN Offer in excess of the CVC TC-2 inclusion, including those NBN Offers set out in clauses 2B.3.2 or 2B.3.3(b)(iii).

**Bundled TC-4 Offer** means an NBN Offer (other than an Asymmetric AVC Offer and any Expiring NBN Offers) comprising a bundle of only:

- (a) an AVC TC-4, CVC TC-4 inclusion, AVC TC-1 and one or more UNI(s); or
- (b) an AVC TC-4 with a bandwidth profile of 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink, AVC TC-1 and one or more UNI(s),

to which additional charges apply for CVC TC-4 utilised in conjunction with that NBN Offer in excess of any CVC TC-4 inclusion, including those NBN Offers set out in clause 2B.3.1(b) and 2B.3.3(b)(ii), subject to any change in accordance with clause 2B.3.1(d) or 2B.3.3(f).

**Bundled TC-4 Offer Group** means, subject to any exceptions or variations approved in writing by the ACCC:

- (a) the Voice-Only Bundled Offer;
- (b) the group comprising all Bundled TC-4 Offers with an AVC Data Transfer Rate less than 50 Mbps downlink (other than the Voice-Only Bundled Offer and any Bundled TC-4 Offer with a range that extends to 50 Mbps or above); and
- (c) the group comprising all Bundled TC-4 Offers with an AVC Data Transfer Rate of 50 Mbps downlink or above (or with a range that extends to 50 Mbps or above),

where, for clarity, each of paragraphs (a), (b) and (c) sets out a separate Bundled TC-4 Offer Group.

**Business Day** means any day other than a Saturday, Sunday or public holiday in ~~New South Wales~~ the States or Territories where the relevant works or tasks are being carried out.

**Business Hours** means between 9.00am and 5.00pm on a Business Day in the place where the relevant works or tasks with respect to the relevant POI Site or Aggregation Node Site ~~is located~~ are being carried out.

**Capital Expenditure** means capital expenditure incurred by NBN Co or any Related Body Corporate of NBN Co in connection with the Relevant Assets, but excluding GST.

**Carriage Service** has the meaning given to that term in section 7 of the Telecommunications Act.

**Carriage Service Provider** has the meaning given to that term in section 87 of the Telecommunications Act.

**Carrier** has the meaning given to that term in section 7 of the Telecommunications Act.

~~**Carry Forward Revenue Adjustment** has the meaning given to that term:~~

- ~~(a) during the Initial Regulatory Period, in clause 1E.5.3; and~~
- ~~(b) during the Subsequent Regulatory Period, in clause 2C.5.7.~~

**Cell Site Access Service** means the “Cell Site Access Service” Product introduced by NBN Co in accordance with Schedule 1I (Product Development and Withdrawal) and subsequently varied.

## Attachment C (Dictionary)

**Central Splitter** means a central splitter installed in connection with the supply of a Product, Access Seeker Product or Downstream Product, located at a Premises, whether or not located between the UNI and NNI.

**Central Splitter Fault** means a fault or a failure in a Central Splitter installed as a Professional Wiring Service in connection with an NBN Co FTTB Access Service or an NBN Co FTTN Access Service that:

- (a) occurs within 2 years following the first date of installation by NBN Co; and
- (b) arises as a result of the Central Splitter having a defect, not being fit for purpose or as a result of a failure by NBN Co Personnel to exercise due care and skill in the installation of the Central Splitter.

**CIR** means committed information rate.

**CIR Objective** means, for an Ordered Product supplied by means of the NBN Co FTTB Network or NBN Co FTTN Network, that the Line rate at the NBN Co Downstream Network Boundary used to serve the relevant Premises is capable of achieving a TC-2 CIR of at least:

- (a) in the case of an Ordered Product supplied using a Transitioning Special Service Line in respect of which the Designated Special Service is:
  - (i) Telstra's Frame Relay "Direct Special Service", as defined in the Telstra Migration Plan;
  - (ii) Telstra's ISDN10/20/30 "Direct Special Service", as defined in the Telstra Migration Plan;
  - (iii) Telstra's ISDN2 "Direct Special Service", as defined in the Telstra Migration Plan; or
  - (iv) a service that is certified as a "Special Service Input" in accordance with the Telstra Migration Plan as a service equivalent to a "Direct Special Service" listed in paragraphs (i) to (iii) above, supplied by means of a ULLS supplied by Telstra,

5 Mbps (CIR) for all TC-2 bandwidth profiles ordered;
- (b) in the case of any other Ordered Product supplied using a Transitioning Special Service Line:
  - (i) 5 Mbps (CIR) if that TC-2 bandwidth profile is ordered; or
  - (ii) 10 Mbps (CIR) if that TC-2 bandwidth profile, or the 20 Mbps (CIR) TC-2 bandwidth profile, is ordered; and
- (c) otherwise, for an Ordered Product to which such an objective applies:
  - (i) 5 Mbps (CIR) if that TC-2 bandwidth profile is ordered; or
  - (ii) 10 Mbps (CIR) if that TC-2 bandwidth profile, or the 20 Mbps (CIR) TC-2 bandwidth profile, is ordered.

**Co-existence Period** means, in respect of an NBN Co Node, the period during which the NBN Co FTTB Access Service, the NBN Co FTTN Access Service, or NBN Co FTTC Access Service, as applicable, co-exists with any Co-existing Services and will cease on the date notified by NBN Co to Access Seekers.

**Co-existing Services** means the following services:

- (a) ADSL (asymmetric digital subscriber line);
- (b) ADSL2;
- (c) ADSL2+;

## Attachment C (Dictionary)

(d) SHDSL (single pair high-speed digital subscriber line);

(e) ISDN (integrated services digital network); and

(f) any other service (other than VDSL (very high-speed digital subscriber line)) covered by the Communications Alliance Industry Code C559:2012 “Unconditioned Local Loop Service (ULLS) Network Deployment”, as registered by the Australian Communications and Media Authority on 16 May 2012.

**Combiner** means a facility installed at an NBN Co Node where, and for so long as, it is required for the purposes of Voiceband Continuity, which is owned, operated or controlled by NBN Co (or any Related Body Corporate of NBN Co) and used by NBN Co to combine the NBN Co FTTB Access Service or the NBN Co FTTN Access Service (as applicable) with a Voiceband Service supplied by a party other than NBN Co.

**Common MDU Site Equipment** means any equipment (including in-building cabling) at an MDU Site that is:

(a) part of any Common Property or otherwise common to, accessible or used by, or shared between, two or more separately owned or occupied Premises;

(b) not owned by, or operated or controlled by or in accordance with the directions of, an Access Seeker or any of its Related Bodies Corporate; and

(c) not NBN Co Equipment.

**Common Property** means any real property or part thereof which is owned or managed by a third party strata body, managing corporation or other similar entity, or which is otherwise common to, accessible by, or shared between, two or more separately owned or occupied Premises to which NBN Co may require access, including to perform an installation and/or activation of Connecting Equipment at a Premises in connection with the supply of a Product Component or Product Feature.

**Communications Minister** has the meaning given to that term in the NBN Companies Act.

**Competition and Consumer Act** or **CCA** means the *Competition and Consumer Act 2010* (Cth).

**Competitive Services** means:

(a) unless and until re-categorised as a Core Regulated Service in an ACCC Replacement Module Determination in accordance with clause 2G.6.4, each of the following:

(i) NBN Co Enterprise Ethernet;

(ii) NBN Co Satellite Mobility for Large Commercial Passenger Aircrafts; and

(iii) NBN Co Business Satellite Service; and

(b) any other product or service categorised as a “Competitive Service” in accordance with clause 2G.6.4.

**Conforming Contract** has the meaning given to that term:

(a) in clause 1D.4.1(b) in relation to Capital Expenditure; and

(b) in clause ~~1E.7.3(b)~~~~1E.8.3(b)~~ in relation to Operating Expenditure.

**Connecting Equipment** has the meaning given to that term:

## Attachment C (Dictionary)

- (a) in clause 4 of Annexure 1 (Standard NFAS Installation) to Schedule 1C (NBN Offers and Other Charges) in relation to Installations related to NFAS connections; ~~and~~
- (b) in clause 4 of Annexure 2 (Standard NNAS Installation) to Schedule 1C (NBN Offers and Other Charges) in relation to Installations related to NNAS connections; ~~;~~
- (c) in clause 4 of Annexure 3 (Standard NBN Co FTTB Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) in relation to Installations related to NBN Co FTTB Access Service connections;
- (d) in clause 4 of Annexure 4 (Standard NBN Co FTTN Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) in relation to Installations related to NBN Co FTTN Access Service connections;
- (e) in clause 4 of Annexure 5 (Standard NBN Co HFC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) in relation to Installations related to NBN Co HFC Access Service connections;
- (f) in clause 4 of Annexure 6 (Standard NBN Co FTTC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) in relation to Installations related to NBN Co FTTC Access Service connections; and
- (g) in clause 4 of Annexure 7 (Standard NSAS Installation) to Schedule 1C (NBN Offers and Other Charges) in relation to Installations related to NBN Co Satellite Access Service connections.

**Connecting Fibre** means the fibre optic Line which connects from a PCD to an NTD.

**Connectivity Serving Area** or **CSA** means a geographical region that is addressable using a single CVC.

**Connectivity Virtual Circuit** or **CVC** has the meaning given to that term in clause 1A.3.3.

**Connectivity Virtual Circuit Offer** has the meaning given to that term in clause 1C.2.6~~1C.2.6~~.

**Construction in Progress** or **CIP** has the meaning given to that term in clause 1D.2.4(a), during the Initial Regulatory Period.

**Consultation Period** has the meaning given to that term in clause 1D.9.2(a).

**Consumer Advocacy Group** means a body or association whose functions include representing the interests of consumers of telecommunications services in Australia.

**Content Service** has the meaning given to that term in section 15 of the Telecommunications Act.

**Content Service Provider** has the meaning given to that term in section 97 of the Telecommunications Act.

**Coordinated Appointment (Day)** means an appointment identified as a “Co-ordinated Appointment” by NBN Co with an appointment time on the hour between 8:00am and 8:00pm.

**Coordinated Appointment (Night)** means an appointment identified as a “Co-ordinated Appointment” by NBN Co with an appointment time on the hour between 9:00pm and 7:00am.

**Copper Connecting Cable** means, where the NBN Co FTTN Access Service or NBN Co FTTC Access Service is supplied to a Premises which is not at an MDU Site, the copper or aluminium based Line which connects from a PCD or building entry point to the Telecommunications Outlet.

**Core Regulated Services** means all products and services supplied by NBN Co other than the Competitive Services.



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Core Services RAB Portion is calculated in accordance with clause 2G.5.

Core Services Revenue means all Revenue earned by NBN Co or any Related Body Corporate of NBN Co, excluding:

(a) Revenue earned from the supply of Competitive Services; and

(b) any amounts which NBN Co receives or is entitled to receive by way of grant or distribution under the Regional Broadband Scheme.

**Corporate Tax Rate** will be 30% as at the Cost Commencement Date unless otherwise determined in accordance with clause 1E.8.5(b)~~1E.9.5(b)~~.

**Corporations Act** means the *Corporations Act 2001* (Cth).

Cost Allocation Manual has the meaning given to that term in clause 2G.6.3(b).

Cost Allocation Principles has the meaning given to that term in clause 2G.6.2.

**Cost Commencement Date** means the date that NBN Co and any Related Body Corporate of NBN Co first incurred costs in connection with the Relevant Assets, which is on or around 9 April 2009.

Cost Pass-Through Event is any one of the following:

(a) a Tax Change Event;

(b) a Regulatory Change Event;

(c) a Government Policy Project Notice Event;

(d) a Natural Disaster Event;

(e) a Terrorism Event;

(f) an ACCC Service Standards Change Event; or

(g) NBN Service Standards Change Event.

Cost Pass-Through Application has the meaning given to that term in clause 2D.5.1.

**Cross-Connect** has the meaning given to that term in clause 1A.7(a).

**Cumulative Inflation Factor** or **CIF** means the cumulative inflation factor determined in accordance with the methodology specified in:

(a) during the Initial Regulatory Period, clause 1E.8.4(b)~~1E.9.4(b)~~; and

(b) during the Subsequent Regulatory Period, clause 2G.1.4~~2C.1.4~~; and

~~(b)~~(c) during the Post-2032 Regulatory Period, clause 3B.3.6.

**Customer** means a Carrier or Carriage Service Provider that has entered into, or is otherwise subject to, an Access Agreement.

Customer Side MDF means a distributor at an MDU Site that terminates the Internal Copper Pairs and/or NBN Co Copper Pairs at a common point.

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**CVC Class** means the optional Product Features supplied by means of the NBN Co Satellite Network which enable Access Seekers to associate different minimum numbers of AVCs with a CVC TC-4 before the bandwidth profile of that CVC TC-4 can be increased.

**CVC Class 0** means a CVC Class of that name set out in clause 1C.2.6(c)(iii).

**CVC Class 1** means a CVC Class of that name set out in clause 1C.2.6(c)(iii).

**CVC Class 2** means a CVC Class of that name set out in clause 1C.2.6(c)(iii).

**CVC Class Offer** means each of the offers described in clause 1C.2.6(c).

**CVC Modification** means the modification of the bandwidth of a CVC supplied by NBN Co to an Access Seeker in a CSA.

**Cycle Expiry Date** has the meaning given to that term in clause ~~5.8(a)~~4.8(a).

**Data Transfer Rate** means the average number of bits per second transferred from a data source to a data destination.

**Daily CSA Peak Utilisation** means, in Mbps, on a given day for a given Bundled TC-4 Offer Group and a given Access Seeker in a CSA, the sum of download usage (in megabits) observed by NBN Co during the relevant Daily Peak Hour across all AVC TC-4 Product Components in that Bundled TC-4 Offer Group supplied on that day to that Access Seeker in that CSA, divided by 3600 (seconds).

**Daily Peak Hour** means, on a given day for a given Access Seeker in a CSA, the 60-minute period during which NBN Co observes the highest aggregate download usage (in megabits) across all AVC TC-4 Product Components supplied on that day to that Access Seeker in that CSA.

**December Quarter CPI** means the annual percentage change in the Consumer Price Index value published for the December quarter. The Consumer Price Index used is the All Groups - Weighted Average of Eight Capital Cities value published by the Australian Bureau of Statistics (or successor organisation), showing the percentage change from one December quarter to the next.

**Designated End User** means an End User acquiring an Access Seeker Product or Downstream Product under a contract with an Access Seeker or a Downstream Customer (as the case may be).

**Designated Special Service** means:

(a) Telstra's Ethernet Lite BDSL "Direct Special Service", as defined in the Telstra Migration Plan;

(b) Telstra's Wholesale Business DSL (W-BDSL) "Direct Special Service", as defined in the Telstra Migration Plan;

(c) Telstra's DDS Fastway "Direct Special Service", as defined in the Telstra Migration Plan;

(d) Telstra's Data Access Radial "Direct Special Service", as defined in the Telstra Migration Plan;

(e) Telstra's Megalink "Direct Special Service", as defined in the Telstra Migration Plan;

(f) Telstra's Wholesale Transmission – CRA163 – Telstra domestic tail transmission capacity service "Direct Special Service", as defined in the Telstra Migration Plan;

(g) Telstra's Frame Relay "Direct Special Service", as defined in the Telstra Migration Plan;

(h) Telstra's ISDN10/20/30 "Direct Special Service", as defined in the Telstra Migration Plan;

(i) Telstra's ISDN2 "Direct Special Service", as defined in the Telstra Migration Plan; or

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(j) a service, that is certified as a “Special Service Input” in accordance with the Telstra Migration Plan as a service equivalent to a “Direct Special Service” listed in paragraph (a) to (i) above, supplied by means of a ULLS supplied by Telstra.

**Discount** means any discount, allowance, rebate, waiver or credit.

**Discount Adjusted Price** means, in respect of a TC-4 Offer Group in a given Financial Year, the average effective charge for the supply of AVC TC-4s that were supplied under NBN Offers within that TC-4 Offer Group over that Financial Year, after accounting for Discounts applicable in respect of an AVC TC-4, having regard to each AVC TC-4 to which the Discount applied and each day on which the Discount applied.

**Disposal** means the remaining value in the Regulatory Asset Base (i.e. the value which has not been depreciated) of Relevant Assets which have been divested by ~~consideration received by~~ NBN Co or any Related Body Corporate of NBN Co ~~as a result of the divestiture of Relevant Assets.~~

**Downstream Customer** means any person acquiring an Access Seeker Product or a Downstream Product, including:

- (a) any Carrier, Carriage Service Provider or Content Service Provider acquiring a wholesale Access Seeker Product;
- (b) any Carrier, Carriage Service Provider or Content Service Provider acquiring a wholesale Downstream Product; and
- (c) any Designated End User.

**Downstream Customer Equipment** means any equipment that is used by a Downstream Customer in connection with the NBN Co Network or any Downstream Product.

**Downstream Product** means a retail or wholesale product or service supplied by a Downstream Customer to a third party that relies on an Access Seeker Product as an input.

**Draft Replacement Module Determination Decision** has the meaning given to that term in clause 5.11.

**Drop Fibre** means the fibre optic Line which connects from a NAP to a PCD in relation to the NBN Co Fibre Network.

**DSLAM** means a digital subscriber line access multiplexer that is owned, operated or controlled by NBN Co (or any Related Body Corporate of NBN Co).

**Emergency** means an imminent actual or potential risk to the safety of persons or property or the integrity of a telecommunications network requiring immediate action to avoid or mitigate any loss, damage or personal injury.

**Endorsed Network Change** has the meaning given to that term in clause 1D.11.1(a).

**End User** means a person who is the ultimate recipient or user of an Access Seeker Product or Downstream Product.

**End User Equipment** means any equipment used by an End User in connection with the NBN Co Network, any Access Seeker Product or any Downstream Product, including Central Splitters, residential gateways, routers and personal computers.

**End User FTTC-NCD Installation (NBN Co Dispatched)** means the installation by an End User of the FTTC-NCD Connecting Equipment that involves NBN Co sending the FTTC-NCD Connecting Equipment

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directly to the Designated End User for installation at no charge to the Access Seeker, where all of the following conditions are met in respect of the Premises at which such installation is to occur:

- (a) the Premises is in the footprint of the NBN Co FTTC Network;
- (b) the Premises is NBN Serviceable for the purposes of supplying the NBN Co FTTC Access Service;
- (c) an NBN Co DPU has been installed and at least one NBN Co Copper Pair is available and has been cut-in to the NBN Co DPU;
- (d) a Lead-In Cable has been installed;
- (e) where the Premises is a MDU Site, Jumpering has been completed;
- (f) where the Premises is not an MDU Site, a PCD, Copper Connecting Cable and Telecommunications Outlet or Passive NTD have been installed; and
- (g) either:
  - (i) no FTTC-NCD has been installed; or
  - (ii) where an FTTC-NCD has been installed, the FTTC-NCD is missing or no UNI-D port is available on the existing FTTC-NCD.

**End User HFC-NTD Installation (NBN Co Dispatched)** means an installation method for an HFC Fly Lead, HFC RF Splitter (as required) and NTD that involves NBN Co sending the HFC Fly Lead, HFC RF Splitter (as required) and NTD directly to the Designated End User for installation at no charge to the Access Seeker, where all of the following conditions are met in respect of the Premises at which such installation is to occur:

- (a) the Premises is in the footprint of the NBN Co HFC Network;
- (b) the Premises is NBN Serviceable for the purposes of supplying the NBN Co HFC Access Service;
- (c) a physical connection is in place between the HFC Tap and the PCD and no augmentation or patching between the PCD and the HFC Tap is required for the supply of the NBN Co HFC Access Service;
- (d) an HFC Connecting Cable has been installed to at least one HFC Wall Outlet which is able to be used for the supply of the NBN Co HFC Access Service (including through installation of an HFC RF Splitter); and
- (e) no NTD has been installed or an NTD has been installed but no UNI ports are available.

**End User Installed NBN Co Equipment** means any NBN Co Equipment supplied by NBN Co in respect of the NBN Co HFC Access Service or NBN Co FTTC Access Service:

- (a) under terms of use, supply or installation notified by NBN Co to Access Seekers from time to time; and
- (b) which is installed (or is supplied for the purpose of installation) by an End User.

**Enhanced-12 Fault Service Levels** means the optional Product Features supplied by means of the relevant NBN Co-Fibre Network which provides Access Seekers with enhanced service levels for rectification of End User faults which affect the NBN Co-Fibre Access Service.

**Enhanced Fault Service Levels Offer** has the meaning given to that term in clause 1C.2.13.

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**Entry Level Offer** means:

- (a) for the First Regulatory Cycle, the NBN Offers set out in 4A.4; and
- (b) in each later Regulatory Cycle in the Subsequent Regulatory Period, the NBN Offers determined to be “Entry Level Offers” in the ACCC Replacement Module Determination for that Regulatory Cycle in accordance with clause 2B.4.

**Entry Level Offers Proposal** comprises the matters set out in clause 5.5.

**Equipment Modification** means the rearrangement or modification of any NBN Co Equipment that is installed or located at a Premises where an Access Seeker has validly requested that NBN Co rearrange or modify that NBN Co Equipment.

**Equipment Removal** means the removal of any NBN Co Equipment that is installed or located at a Premises for which an Access Seeker has validly requested that NBN Co remove that NBN Co Equipment.

**Equipment Repair** means the repair or replacement of any NBN Co Equipment that is installed or located at a Premises where an act or omission of an Access Seeker (or any Downstream Customer or End User) has caused or contributed to the need to perform the repair or replacement.

**Established POI** means a POI listed in the POI List but excluding any Temporary POI.

**Expected Successor Charge Component** has the meaning given to that term in clause 2D.3.1(d)(i).

**Expenditure Factors** means the factors described in clause 2G.2.5(d).

**Expenditure Objectives** means the objectives described in clause 2G.2.5(c).

**Expiring NBN Offer** means each of the following NBN Offers:

- (a) Asymmetric AVC Offers, except in respect of the NBN Co Satellite Network;
- (b) Additional Asymmetric AVC Offers;
- (c) the Standard Business Offer;
- (d) NBN Offers relating to Fixed Wireless Home Fast and Fixed Wireless Superfast that are not Flat-Rate Offers; and
- (e) Symmetric Access Capacity Offers (TC-2).

**Facility** has the meaning given to that term in section 7 of the Telecommunications Act.

**Facilities Access Service** has the meaning given to that term in clause 2 of Attachment B (Facilities Access Service) and includes:

- (a) the Initial Products described in clause 3 of Attachment D (Initial Products);
- (b) any new or varied type of facilities access service introduced by NBN Co pursuant to Schedule 1I (Product Development and Withdrawal) or ~~Schedule 2H~~~~Schedule 2D~~ (Product Development and Withdrawal); and
- (c) any new or varied type of facilities access service introduced by NBN Co that is a Licence Condition Product.

**Facilities Access Service Offer** has the meaning given to that term in clause ~~1C.2.14~~1C.2.11.

**Fibre Upgrade Installation** means an Installation:

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(a) in respect of a Premises that is in the footprint of the NBN Co FTTC Network or NBN Co FTTN Network and is NBN Serviceable for the purposes of supplying the NBN Co FTTC Access Service or NBN Co FTTN Access Service;

(b) following which Installation, the Premises is NBN Serviceable for the purposes of supplying NFAS; and

(c) which would otherwise be an Initial Non Standard Installation or Subsequent Installation.

**Finance Minister** has the meaning given to that term in section 7 of the Telecommunications Act.

**Financial Year** means the period from 1 July to 30 June inclusive.

**First Access Card** means the first access card that NBN Co provides to Customers in respect of a Type 1 Facility or Type 2 Facility.

**First Battery** means the first battery installed by or on behalf of NBN Co in respect of the NTD at a Premises.

**First Financial Year** means the Financial Year in which the SAU Commencement Date occurs.

**First Release Trial Sites** means those parts of:

- (a) Brunswick in Victoria;
- (b) Townsville in Queensland;
- (c) Armidale in New South Wales;
- (d) Minnamurra and Kiama Downs in New South Wales; and
- (e) Willunga in South Australia,

identified as “NBN First Release Sites” on NBN Co’s Website.

**First Regulatory Cycle** has the meaning given to that term in clause 4.1(e).

**Fixed Wireless Home Fast** means the “Home Fast” bandwidth profile in respect of the NBN Co Wireless Network introduced by NBN Co in accordance with Schedule 1I (Product Development and Withdrawal) or Schedule 2H (Product Development and Withdrawal) as subsequently varied.

**Fixed Wireless Superfast** means the “Superfast” bandwidth profile in respect of the NBN Co Wireless Network introduced by NBN Co in accordance with Schedule 1I (Product Development and Withdrawal) or Schedule 2H (Product Development and Withdrawal) as subsequently varied.

**Flat-Rate Offer** means an NBN Offer comprising a bundle of only an AVC TC-4, CVC TC-4, AVC TC-1 and one or more UNI(s), to which no additional charges apply for CVC TC-4 utilised in conjunction with that NBN Offer, including those NBN Offers set out in clauses 2B.3.1(a) and 2B.3.3(b)(i).

**Force Majeure Event** means any event or circumstance that:

- (a) is not within the reasonable control of NBN Co or any of its Related Bodies Corporate or any of NBN Co’s Personnel;
- (b) NBN Co or any of its Related Bodies Corporate or any of their Personnel are not reasonably able to prevent or overcome by the exercise of reasonable care; and

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- (c) causes NBN Co to fail to perform any relevant obligations under the agreement to which the obligations relate,

but does not include:

- (d) any event or circumstance that arises as a result of any lack of funds for any reason or any other inability to pay; or
- (e) any event or circumstance that arises as a result of any negligent act or omission of NBN Co.

**Forecast Annual RBS Amount** means the forecast net amount that NBN Co will be entitled to receive by way of grant or distribution under the Regional Broadband Scheme (taking into account the forecast amount that NBN Co will be liable to pay under that scheme, excluding any administrative cost amounts) in relation to a Financial Year, reasonably adjusted to account for the forecast amount that NBN Co will be liable to pay under that scheme in relation to that Financial Year in respect of premises at which NBN Co is forecast to provide a Competitive Service.

**Forecast Average Combined Charge** has the meaning given to that term in clause 2F.4.2(a).

**Forecast Core Services Tax Allowance** has the meaning given to that term in clause 2G.2.4(e)(ii).

~~**Forecast Cumulative Inflation Factor** or **Forecast CIF** means the cumulative inflation factor calculated in accordance with clause 2C.2.1(f).~~

**Forecast Financial Information** has the meaning given to that term in clause 1F.1.2.

**Forecast Nominal ABBRR** is calculated in accordance with:

- (a) in respect of the Subsequent Regulatory Period, clauses 2G.2.1(a)~~2C.2.1(a)~~, 2G.2.3 and 2G.2.4(a) to 2G.2.4(f) ~~2C.2.1(e)~~; and

- ~~(a)~~(b) in respect of the Post-2032 Regulatory Period, clause 3B.3.2.

**Forecast Nominal Core Services ABBRR** is calculated in accordance with clauses 2G.2.2(a), 2G.2.3 and clauses 2G.2.4(a) to 2G.2.4(f).

**Forecast Real ABBRR** is calculated in accordance with clause 2G.2.4(g)~~2C.2.1(f)~~.

**Forecast Real Core Services ABBRR** is calculated in accordance with clause 2G.2.4(g).

**Forecast Real Core Services Depreciation** is calculated in accordance with clause 2G.5.7(b).

**Forecast Real Depreciation** is calculated in accordance with clause 2G.5.6(a)(ii).

**Forecast Tax Allowance** has the meaning given to that term in clause 2G.2.4(e)(i).

**FTTB/FTTN Subsequent Installation** means an Installation in respect of a Premises that is in the footprint of the NBN Co FTTB Network or NBN Co FTTN Network and is NBN Serviceable for the purposes of supplying the NBN Co FTTB Access Service or NBN Co FTTN Access Service, where an Access Seeker requests NBN Co, or NBN Co considers it is necessary, to:

- (a) install a new NBN Co Copper Pair; or
- (b) connect or reactivate an inactive NBN Co Copper Pair,

at a Premises where:

- (c) an Ordered Product is currently being, or has previously been, supplied; or

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(d) an alternative NBN Co Copper Pair exists that is being used to supply a Voiceband Service or a Non-Voiceband Service that does not use an Ordered Product as an input.

**FTTC-Network Connection Device** or **FTTC-NCD** means an active or powered network connection device that is owned, operated or controlled by NBN Co (or any Related Body Corporate) that must be used to access the NBN Co FTTC Access Service and to provide the Reverse Power Feed.

**FTTC-NCD Connecting Equipment** means one FTTC-NCD with power lead and FTTC Patch Lead.

**FTTC Patch Lead** means the Line which connects from a Telecommunications Outlet to the FTTC-NCD.

**FTTC Subsequent Installation** means an Installation in respect of a Premises that is in the footprint of the NBN Co FTTC Network and is NBN Serviceable for the purposes of supplying the NBN Co FTTC Access Service, where an Access Seeker requests NBN Co, or NBN Co considers it is necessary, to:

(a) install a new NBN Co Copper Pair; or

(b) connect or reactivate an inactive NBN Co Copper Pair,

at a Premises where:

(c) an Ordered Product is currently being, or has previously been, supplied; or

(d) an alternative NBN Co Copper Pair exists that is being used to supply a Voiceband Service or a Non-Voiceband Service that does not use an Ordered Product as an input.

**Gaining Customer** means a Customer that has placed, or commenced the process to place, an order for a Service Transfer.

**Government Agency** means any court or tribunal of competent jurisdiction or any agency, authority, board, department, government, instrumentality, ministry, official or public or statutory person of the Commonwealth or of any State or Territory of Australia, and any local or municipal government or governmental bodies.

**Government Business Enterprise** has the meaning given to that term in the *Public Governance, Performance and Accountability Act 2013 (Cth)*.

**Government Policy Project Notice** is a formal notice made by the Communications Minister to NBN Co and published on the website of the Department of Infrastructure, Transport, Regional Development and Communications and the Arts (or any successor department):

(a) which notice:

(i) states that the notice is a Government Policy Project Notice for the purposes of NBN Co's Special Access Undertaking;

(ii) states that the Communications Minister has determined that NBN Co undertaking a particular project or program is reasonably required to achieve Commonwealth Government policy, taking into account the public interest served by the project or program;

(iii) describes the scope of the relevant project or program, including:

(A) the specific project or program that is the subject of the notice;

(B) the key elements of the project or program, and the outcomes it is expected to deliver;



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- (C) any restrictions or requirements the Commonwealth Government has placed on the delivery of the project or program (for example, the technology to be used or the methodology);
  - (D) the expected timeframe for delivery of the elements and outcomes of the project or program;
  - (E) the forecast expenditure associated with the project or program, in total and per Financial Year; and
  - (F) a description of how the project or program will be funded;
  - (iv) includes a statement regarding NBN Co's reporting requirements under the notice in respect of the project or program that is the subject of the notice (which, for clarity, may include a requirement for NBN Co to publish public versions of any such reports, with commercial-in-confidence material removed or redacted);
  - (v) may, at the Communication Minister's sole discretion, state the maximum amount of Operating Expenditure and/or Capital Expenditure associated with the project or program per Financial Year, where the aggregate of those maximum amounts is no greater than the total forecast expenditure associated with the project or program; and
  - (vi) describes, in respect of any maximum amounts specified in the notice pursuant to paragraph (v) above, the elements of the funding of the project or program that are associated with those maximum amounts; and
- ~~(a)~~(b) a draft of which notice has been provided to the ACCC at least 14 calendar days before the day on which the notice is issued to NBN Co.

**Government Policy Project Notice Event** means the issuing of a new Government Policy Project Notice by the Communications Minister, or a change to, or withdrawal of, a Government Policy Project Notice by the Communications Minister.

**GPON** means gigabit passive optical network.

**GST** means a goods and services tax or similar value added tax levied or imposed under the GST Law.

**GST Law** has the meaning given to that term in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**HFC Connecting Cable** means the coaxial Line which connects from a PCD to the HFC Wall Outlet.

**HFC Fly Lead** means the coaxial Line which connects from an HFC Wall Outlet or the HFC RF Splitter (where required) to the NTD.

**HFC Lead-In Cable** means the coaxial Line which connects from an HFC Tap to a PCD.

**HFC Premises Amplifier** means an active element installed inside, or within close proximity to, the PCD which boosts the RF signal strength to active elements connected to the NBN Co HFC Network inside the Premises.

**HFC Premises Amplifier Power Supply** means an active element consisting of power cord, transformer, connecting cable and 'F Connector' power injector (supplied as a single unit with the HFC Premises Amplifier), which is used to supply power to the HFC Premises Amplifier.

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**HFC RF Splitter** means a 2-way or 3-way low-loss radio frequency cable splitter approved by NBN Co and installed in connection with the supply of a Product, Access Seeker Product or Downstream Product supplied by means of the NBN Co HFC Network, located at a Premises.

**HFC Tap** means an access point on a coaxial cable in the NBN Co HFC Network to which another coaxial cable (that connects or is capable of connecting to a PCD) connects or is capable of connecting.

**HFC Wall Outlet** means a hybrid fibre coaxial wall connection point consisting of an 'F Connector' socket mounted on a wall plate that terminates the connecting coaxial cable from the PCD.

**Hourly Labour Rate** means, at the SAU Commencement Date, \$75 per hour, rounded up to the next full hour required to perform the relevant activity, as may be amended from time to time in accordance with clauses 1C.4.3(b) or 2E.2.4.

**Identified Need** means the reason why NBN Co has proposed a Network Change (e.g. to deliver higher bandwidth services in response to an Access Seeker demand, to enable the delivery of new Product Features, etc.).

**Incorrect Callout** means the attendance of NBN Co Personnel at a Premises for the purposes of performing an Installation activity where the pre-requisites for Installation are incomplete.

**Individual Price Controls** means the price controls in clause 2E.2.

**Individual Price Increase Limit** means, in respect of a NBN Offer or Other Charge in a given Financial Year, the amount determined in accordance with ~~the following~~ clause 1C.4.2.:

~~(a) for NBN Offers and Other Charges during the Initial Regulatory Period, clause 1C.5.2; and~~

~~(b) for NBN Offers and Other Charges during a Regulatory Cycle, clause 2B.2.3.~~

**Industry Code** means an industry code developed and registered with the Australian Communications and Media Authority under Part 6 of the Telecommunications Act.

**Initial Cost Recovery Account** or ICRA has the meaning given to that term:

(a) during the Initial Regulatory Period, in clause 1E.5.2; and

(b) during the Subsequent Regulatory Period, in clause ~~2G.3.1~~ 2C.5.4.

**Initial Cost Recovery Period** means the period from the Cost Commencement Date until the end of the Initial Regulatory Period ~~Financial Year in which the Methodology Change Event occurs.~~

**Initial Product** means any Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service set out in Attachment D (Initial Products).

**Initial Regulatory Period** has the meaning given to that term in clause 4.1(b).

**Initial Non Standard Installation** means a Non Standard Installation that is the first Installation performed by NBN Co (or an Installer) in respect of a Premises but does not include any FTTB/FTTN Subsequent Installation, FTTC Subsequent Installation or Fibre Upgrade Installation.

**Initial Standard Installation** means a Standard Installation that is-:

(a) the first Installation performed by NBN Co (or an Installer) in respect of a Premises; or

(b) performed by NBN Co (or an Installer) in respect of an existing active NBN Co Copper Pair that is being used to supply a Voiceband Service or Non-Voiceband Service to a Premises that:

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(i) is in the footprint of the NBN Co FTTB Network, NBN Co FTTN Network or NBN Co FTTC Network and is NBN Serviceable for the purposes of supplying the NBN Co FTTB Access Service, NBN Co FTTN Access Service or NBN Co FTTC Access Service; and

(ii) will be transitioned to an Ordered Product,

but does not include any FTTB/FTTN Subsequent Installation, FTTC Subsequent Installation or Fibre Upgrade Installation.

**Installation** means the installation and make ready for service of Connecting Equipment by NBN Co (or an Installer) at a Premises and may include the activation of that Connecting Equipment by NBN Co.

**Installer** means a person authorised by, or on behalf of, NBN Co to install and make the Connecting Equipment at a Premises ready for service.

**Intellectual Property Rights** means any patent, copyright (including future copyright), design right, trade name, trade mark, service mark, domain name right, semiconductor or circuit layout right or any other form of protection of a similar nature to any of these, anywhere in the world (whether registered or not and including applications for any such right).

**Interest Expense** means, in the Initial Regulatory Period, the actual interest expense recorded in NBN Co's statutory accounts.

**Interference Event** means, in relation to an Ordered Product supplied by means of the NBN Co FTTB Network, NBN Co FTTN Network or NBN Co FTTC Network, an adverse impact on:

(a) another Carriage Service caused by the supply of the Ordered Product; or

(b) the Ordered Product caused by the equipment or network of a third party.

**Interference Mitigation** means, in relation to an Ordered Product supplied by means of the NBN Co FTTB Network, NBN Co FTTN Network or NBN Co FTTC Network, such action (if any) as NBN Co determines is reasonably practicable in the circumstances to reduce or avoid an Interference Event.

**Interim Access Determination** means an interim access determination made by the ACCC pursuant to section 152BCG of the CCA.

~~**Interim Satellite Service or ISS** means an IP-based, Layer 3 virtual connection on the NBN Co Interim Satellite Network that carries traffic between:~~

~~(a) a UNI on the NTD located at or near a Premises; and~~

~~(b) the NNI associated with the single CSA for the NBN Co Interim Satellite Network that serves the Premises;~~

~~for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service.~~

**Interim Transit Arrangements** means any interim or short term arrangements undertaken by NBN Co to enable it to supply the Product Components and Product Features on an interim basis, including:

(a) Temporary POIs;

(b) modularised fibre access nodes; and

(c) any associated backhaul transmission, whether supplied by NBN Co or a Third Party.

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**Internal Copper Pair** means, in respect of a Premises at an MDU Site, a copper Line or aluminium Line which connects from the Customer Side MDF to the Telecommunications Outlet, but does not include the Jumper Cable.

**Isolated Area** means any area within the footprint of the NBN Co Network which is defined as a 'Very Remote' or 'Remote' geographical area in the most recent 'Accessibility Remoteness Index of Australia plus (ARIA+)' published by the Australian Population and Migration Research Centre of the University of Adelaide as at 26 April 2016.

**Jumper Cable** means a Line that is used, or capable of being used, to supply a Carriage Service from the NBN Co Side MDF to the Customer Side MDF.

**Jumpering** means:

(a) installing a Jumper Cable; and/or

(b) otherwise, in respect of a Premises, the physical completion of an electrical circuit between the UNI and the NBN Co Node.

**June Quarter CPI** means the annual percentage change in the Consumer Price Index value published for the June quarter. The Consumer Price Index used is the All Groups – Weighted Average of Eight Capital Cities value published by the Australian Bureau of Statistics (or successor organisation), showing the percentage change from one June quarter to the next.

**Key Business Transaction** has the meaning given to that term in clause 1A.6.1(a).

**Late Cancellation (After Hours Installation Appointment)** means the cancellation of an After Hours Installation Appointment where NBN Co receives the request to cancel the activity with less than the required period of notice.

**Late Cancellation (Site Visit Required)** means the cancellation of a request by an Access Seeker for the performance of an activity that requires NBN Co to attend the Premises where that cancellation occurs after NBN Co has dispatched NBN Co Personnel for the purposes of fulfilling that request.

**Layer 0** means a Facility, but excludes any Lines.

**Layer 1** means the 'physical link' layer of the OSI Model.

**Layer 2** means the 'data link' layer of the OSI Model.

**Layer 3** means the network 'IP' layer of the OSI Model.

**Lead-In Cable** means a Line that connects, or is intended to connect, a network connection point to the PCD or a building entry point (as applicable) in respect of a Premises.

~~**Likely Methodology Change Event Notice** means a notice issued by NBN Co regarding the date that NBN Co expects the Methodology Change Event will occur.~~

**Licence Condition Product** means a Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service referred to in clauses 1I.1.3(b)(ii) or 2H.1.3(b)(ii).

**Limited Access Area** means any area within the footprint of the NBN Co Network that cannot reasonably be accessed by road and would require some element of air or water transportation, including where the area would otherwise be an Urban Area, Major Rural Area, Minor Rural Area, Remote Area or Isolated Area.

**Line** means:

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- (a) a wire, cable, optical fibre, tube, conduit, waveguide or other physical medium used, or for use, as a continuous artificial guide for or in connection with carrying communications by means of guided electromagnetic energy;
- (b) a “line” as defined in the Telecommunications Act if that definition differs from paragraph (a); or
- (c) any other media of a similar nature to any one or more of the media under paragraphs (a) or (b).

~~**Licence Condition Product** means a Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service referred to in clauses 11.1.3(b)(ii) or 2D.1.3(b)(ii).~~

**Long-term Discount** means a Discount with an initial duration, at the time it is first made available, of greater than 6 months.

**Long Term Revenue Constraint Methodology** or **LTRCM** means the methodology specified in [Schedule 1E \(Long Term Revenue Constraint Methodology\)](#). :

~~(a) during the Initial Regulatory Period, Schedule 1E (Long Term Revenue Constraint Methodology); and~~

~~(b) during the Subsequent Regulatory Period, Schedule 2C (Long Term Revenue Constraint Methodology).~~

**Losing Customer** means a Customer where an other Gaining Customer has placed, or commenced the process to place, a Service Transfer order under that Gaining Customer’s Access Agreement, which will result in NBN Co ceasing to supply an Ordered Product to that losing Customer under its Access Agreement.

**Low-Income Forum** has the meaning given to that term in clause 2B.7(a).

**LTRCM Determination** has the meaning given to that term in clause 1E.1.2(a).

~~**LTRCM Proposal** comprises the matters described in clause 4.6.~~

**M Pair Frame** means a distributor at an NBN Co Pillar that terminates, at a common point, cabling from an exchange on an Other Copper Network.

**Major Rural Area** means an urban centre or other recognised community grouping with a population greater than 2,500 but less than 10,000 people.

**Managed Service Provider Network** means any satellite network that is owned or controlled by, or operated on behalf of, a Third Party supplier in respect of which NBN Co or any Related Body Corporate of NBN Co acquires satellite services and related services which NBN Co uses and relies on as an input into the supply of Product Components or Product Features to an Access Seeker.

**March Quarter CPI** means the [annual](#) percentage change in the Consumer Price Index value published for the March quarter. The Consumer Price Index used is the All Groups - Weighted Average of Eight Capital Cities value published by the Australian Bureau of Statistics (or successor organisation), showing the percentage change from one March quarter to the next.

**Market Benefit** has the meaning given to that term in clause 1D.12.1(b)(i).

**Material Change in Circumstances** has the meaning given to that term:

- (a) in clause 1D.4.1(c), in relation to Capital Expenditure; and
- (b) in clause [1E.7.3\(c\)](#)~~1E.8.3(c)~~, in relation to Operating Expenditure.

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~~**MAVC Reactivation** means the activation of the Multicast AVC to be made available by NBN Co to an Access Seeker in respect of an NTD at a Premises where:~~

- ~~(a) NBN Co has previously made available the Multicast AVC or NFAS Access Components in respect of that NTD at that Premises; and~~
- ~~(b) NBN Co (or an Installer) is not required to attend that Premises to activate the Multicast AVC.~~

Materially, for the purposes of clauses 2D.4 to 2D.6 and the definitions of Positive Change Event, Negative Change Event and NBN Service Standards Change Event, has the meaning given to that term in clause 2D.4.2.

**Maximum Data Transfer Rate** means the maximum Data Transfer Rates that can be supplied to an NTD, or to a UNI where no NTD is used to serve the Premises, as determined by NBN Co, at a given point in time, by reference to:

- (a) the NBN Co Network to which that NTD, or UNI where no NTD is used to serve the Premises, is connected;
- (b) the architecture of the relevant portion of the NBN Co Network to which that NTD, or UNI where no NTD is used to serve the Premises, is connected (e.g. GPON, or point-to-point in the case of the NBN Co Fibre Network);
- (c) the specific configuration of that architecture (e.g. applicable splitter ratios for GPON in the case of the NBN Co Fibre Network);
- ~~(d)~~ (d) the availability of Product Features at a given point in time ~~in respect of that NTD~~;
- ~~(d)~~ (e) the simultaneous supply of the NBN Access Service and exchange-fed services, Special Services or other services to the Premises using the public switched telecommunications network; and
- ~~(e)~~ (f) any other factors that may impact the maximum Data Transfer Rate that can be supplied to an NTD, or to a UNI where no NTD is used to serve the Premises, at a given point in time.

**Maximum Regulated Price** means the Price ceiling applicable to each NBN Offer and Other Charge, determined: in accordance with clause 1C.4 and Schedule 1G (Maximum Regulated Price Review Mechanisms).

- ~~(a) in respect of the Initial Regulatory Period, in accordance with clauses 1C.3, 1C.4 and 1C.5 and Schedule 1G (Maximum Regulated Price Review Mechanisms); and~~
- ~~(b) in respect of the Subsequent Regulatory Period, in accordance with clauses 2B.2 and 2B.3 and Schedule 2E (Maximum Regulated Price Review Mechanisms).~~

~~**Media Stream** means each coherent stream of content that is conveyed by an Access Seeker using the Multicast Components. A Media Stream may be a video-based stream or any other type of media stream which is suitable for distribution using the Multicast Components considering the product construct of the Multicast Components.~~

MDF means the NBN Co Side MDF and the Customer Side MDF at an MDU Site, but does not include a 10 pair termination/connection box.

MDU Site means a site with an MDF which comprises one or more Premises in a single location, whether those Premises are used for business, residential or other purposes.

~~**Methodology Change Event** means the instance when the ICRA becomes equal to or less than zero.~~

Attachment C (Dictionary)

**Minor Expenditure Limit** means:

(a) as at the SAU Commencement Date, an amount of \$50 million; and

(b) thereafter, such amount calculated under clause 1D.7.3(b).

Minor Rural Area means an urban centre, locality or recognised community grouping with a population greater than 200 but not more than 2,500 people.

**Missed Appointment** means -when NBN Co Personnel has visited a Premises and the End User was not present for the work to occur such as installation, on-site survey or maintenance call out.

Missed Appointment (After Hours Installation Appointment) means when NBN Co Personnel has visited a Premises in respect of an After Hours Installation Appointment and the End User was not present for the installation to occur.

**Missed Appointment (During Business Hours)** means where NBN Co and an Access Seeker have agreed to meet onsite at the building in which a POI Site or Aggregation Node Site is located during Business Hours and the Access Seeker is more than 1 hour late to that appointment.

**Missed Appointment (Outside Business Hours)** means where NBN Co and an Access Seeker have agreed to meet onsite at the building in which a POI Site or Aggregation Node Site is located at any time other than during Business Hours and the Access Seeker is more than 1 hour late to that appointment.

**Module** means a document forming part of this Special Access Undertaking as described in clause 4.1.

**Module 0** comprises the documents referred to in clause 4.1(a).

**Module 1** comprises the documents referred to in clause 4.2(b).

**Module 2** comprises the documents referred to in clause 4.3(b).

Module 3 comprises the documents referred to in clause 4.4(b).

Module 4 comprises the documents referred to in clause 4.5(b).

~~**Multicast AVC or MAVC** means an Ethernet-based, Layer 2 virtual connection on the NBN Co Fibre Network that carries multicast traffic to a UNI-D on the NTD at a Premises.~~

~~**Multicast AVC Offer** means the offer described in clause 1C.2.10.~~

~~**Multicast Component** means each of the Multicast AVC and the Multicast Domain.~~

~~**Multicast Domain** means an Ethernet-based, Layer 2 virtual capacity on the NBN Co Fibre Network for the transport of Access Seeker traffic to multiple multicast access virtual circuits within a CSA on an aggregated basis and delivered from the NNI at the POI associated with that CSA.~~

~~**Multicast Domain Modification** means a Non-Service Impacting Multicast Domain Modification or a Service Impacting Multicast Domain Modification.~~

~~**Multicast Domain Offer** means the offer described in clause 1C.2.11.~~

~~**Multicast Media Stream Offer** means the offers described in clause 1C.2.12.~~

Moody's means each of Moody's Investors Service, Inc., Moody's Analytics, Inc., and their Related Bodies Corporate.

**Multilateral SFAA Forum** has the meaning given to that term in clause 1B.3.1(a).

Attachment C (Dictionary)

**Natural Disaster Event** means any fire, flood, earthquake or other natural disaster, provided the fire, flood or other event was not a consequence of the acts or omissions of NBN Co.

**NAP**, in respect of a Premises, means the network access point for the Premises for the purposes of the NBN Co Fibre Network.

**National Daily Combined Charge** has the meaning given to that term in clause 2F.4.1(b).

**National Test Facility** means NBN Co's test environment at a location notified by NBN Co to an Access Seeker from time to time, including all NBN Co Equipment located at that site.

**NBN Access Service** has the meaning given to that term in clause 2 of Attachment A (Service Descriptions).

**NBN Co** means NBN Co Limited.

**NBN Co BSS Network** means the NBN Co Permanent Satellite Network and other network infrastructure owned, controlled or operated by or on behalf of NBN Co between an NBN Co BSS POI and a handover point determined by NBN Co, but excluding any VSAT NTD.

**NBN Co BSS POI** means a POI designated by NBN Co for the purposes of the NBN Co BSS Network.

**NBN Co Building Entry Service** has the meaning given to that term in clause 1A.7(d).

**NBN Co Business Satellite Service** means an Ethernet-based, Layer 3 virtual connection on the NBN Co BSS Network that carries traffic between a UNI and an NNI or other handover point determined by NBN Co, for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service.

**NBN Co Co-Location** has the meaning given to that term in clause 1A.7(b).

**NBN Co Co-location Offer** has the meaning given to that term in clause ~~1C.2.10~~<sup>1C.2.13</sup>.

**NBN Co Copper Network** means the network in Australia comprising copper and aluminium wire lines (as augmented or modified from time to time) that is owned, controlled or operated by, or on behalf of, NBN Co or any Related Body Corporate of NBN Co.

**NBN Co Copper Pair** means, in respect of a Premises served by means of the NBN Co FTTN Network, the NBN Co FTTB Network or the NBN Co FTTC Network, a copper or aluminium Line which, once all necessary Jumpering has been completed, connects the relevant NBN Co Node to:

(a) where the Premises is not at an MDU Site:

(i) the Passive NTD if present; or

(ii) the Telecommunications Outlet if no Passive NTD is present, and includes the Copper Connecting Cable; or

(b) where the Premises is at an MDU Site, the Customer Side MDF, and includes the Jumper Cable.

**NBN Co Downstream Network Boundary** means for:

(a) the NBN Co FTTB Network and NBN Co FTTN Network, the UNI used to serve a Premises; and

(b) the NBN Co FTTC Network:

(i) for Premises at an MDU Site, the Customer Side MDF; and



(ii) for Premises not at an MDU Site, the first Telecommunications Outlet or Passive NTD.

**NBN Co DPU** means a piece of network equipment used by NBN Co for the purposes of supplying the NBN Co FTTC Access Service that:

(a) utilises the NBN Co Copper Network to supply that service; and

(b) is dependent on power supplied from the Reverse Power Feed.

**NBN Co Enterprise Ethernet** means the “nbn™ Enterprise Ethernet” Product introduced by NBN Co in accordance with Schedule 1I (Product Development and Withdrawal) and subsequently varied.

**NBN Co Equipment** means any equipment that is owned, operated or controlled by NBN Co (or any Related Body Corporate of NBN Co):

- (a) that is provided by NBN Co (or any Related Body Corporate of NBN Co) to an Access Seeker for use as part of, or in connection with, the NBN Access Service, an Ancillary Service or the Facilities Access Service; or
- (b) to which NBN Co (or any Related Body Corporate of NBN Co) permits an Access Seeker to access (or on-grant such access to any Downstream Customers or any End Users) as part of, or in connection with, the NBN Access Service, an Ancillary Service or the Facilities Access Service, including FTTC-NCDs, NTDs, and Passive NTDs,

but does not include any Central Splitter, Pre-existing Carrier Side MDF, Customer Side MDF or Common MDU Site Equipment.

**NBN Co Fibre Network** means the fibre network, comprising fibre lines between the UNI and the NNI, that is owned or controlled by, or operated by or on behalf of, NBN Co or any Related Body Corporate of NBN Co, excluding the NBN Co FTTB Network, NBN Co FTTN Network, NBN Co FTTC Network and NBN Co HFC Network.

**NBN Co Fibre Access Service** or **NFAS** means an Ethernet-based, Layer 2 virtual connection on the NBN Co Fibre Network that carries traffic between:

- (a) a UNI on the NTD located at or near a Premises; and
- (b) the NNI associated with the CSA in which that Premises is located,

for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service, but excludes NBN Co Enterprise Ethernet and NBN Co Smart Places.

**NBN Co Frame** means a distributor at an NBN Co FTTN Node that terminates at a common point NBN Co’s cabling for cross connection by means of a Pillar Jumper Cable to the O Pair Frame.

**NBN Co FTTB Access Service** means an Ethernet-based, Layer 2 virtual connection on the NBN Co FTTB Network that carries traffic between:

- (a) a UNI used to serve a Premises; and
- (b) the NNI used to serve that Premises,

for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service.

**NBN Co FTTB Network** means the fibre to the building network, comprising:

- (a) fibre lines between the NNI and an NBN Co FTTB Node; and

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(b) copper or aluminium lines (excluding coaxial cable) from an NBN Co FTTB Node to the UNI, that is owned or controlled by, or operated by or on behalf of NBN Co (or any Related Body Corporate of NBN Co) including the NBN Co FTTB Node, NBN Co Side MDF and any Jumper Cables but not including any Common MDU Site Equipment, Pre-existing Carrier Side MDFs, Customer Side MDFs, Voiceband Continuity Cables or Central Splitters.

**NBN Co FTTB Node** means a DSLAM (or equipment having similar functionality) used by NBN Co for the purposes of supplying the NBN Co FTTB Access Service that:

- (a) utilises the NBN Co Copper Network to supply that service;
- (b) is installed in, or in proximity to, an MDU Site and associated with at least one MDF;
- (c) is dedicated in the supply of that service to the Premises served by that MDF or the relevant MDFs (as applicable); and
- (d) is not dependent on power supplied from the Premises and then through the NBN Co Copper Network.

**NBN Co FTTC Access Service** means an Ethernet-based, Layer 2 virtual connection on the NBN Co FTTC Network that carries traffic between:

- (a) a UNI used to serve a Premises; and
- (b) the NNI used to serve that Premises,

for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service.

**NBN Co FTTC Network** means the fibre to the curb network, comprising:

- (a) fibre lines between the NNI and the NBN Co DPU; and
- (b) copper or aluminium lines (excluding coaxial cable) from the NBN Co DPU to the NBN Co Downstream Network Boundary, including the NBN Co Copper Pairs,

that is owned or controlled by, or operated by or on behalf of NBN Co (or any Related Body Corporate of NBN Co) including the NBN Co DPU, but not including any Common MDU Site Equipment, in-building cabling, Pre-existing Carrier Side MDFs or Customer Side MDFs.

**NBN Co FTTN Access Service** means an Ethernet-based, Layer 2 virtual connection on the NBN Co FTTN Network that carries traffic between:

- (a) a UNI used to serve a Premises; and
- (b) the NNI used to serve that Premises,

for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service.

**NBN Co FTTN Network** means the fibre to the node network, comprising:

- (a) fibre lines between the NNI and an NBN Co FTTN Node; and
- (b) copper or aluminium lines (excluding coaxial cable) from an NBN Co FTTN Node to the UNI, including the NBN Co Copper Pairs,

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that is owned or controlled by, or operated by or on behalf of NBN Co (or any Related Body Corporate of NBN Co) including the NBN Co FTTN Node but not including any Common MDU Site Equipment, Pre-existing Carrier Side MDFs, Customer Side MDFs, Voiceband Continuity Cables or Central Splitters.

**NBN Co FTTN Node** means a DSLAM (or equipment having similar functionality) used by NBN Co for the purposes of supplying the NBN Co FTTN Access Service that:

- (a) utilises the NBN Co Copper Network to supply that service; and
- (b) is not dependent on power supplied from the Premises and then through the NBN Co Copper Network.

**NBN Co HFC Access Service** means an Ethernet-based, Layer 2 virtual connection on the NBN Co HFC Network that carries traffic between:

- (a) a UNI on the NTD located at or near a Premises; and
- (b) the NNI associated with the CSA in which that Premises is located.

for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service.

**NBN Co HFC Network** means the hybrid fibre coaxial cable network that is owned or controlled by, or operated by or on behalf of, or under contract to, NBN Co (or any Related Body Corporate of NBN Co).

**NBN Co Interim Satellite Network** means a satellite network in respect of which NBN Co or any Related Body Corporate of NBN Co leases or utilises capacity, as part of an interim solution for the delivery of Carriage Services or Content Services over satellite technology, and which includes the Managed Service Provider Network.

**NBN Co Network** means:

- (a) the NBN Co FTTB Network;
- (b) the NBN Co FTTN Network;
- (c) the NBN Co FTTC Network;
- ~~(a)~~(d) the NBN Co Fibre Network;
- (e) the NBN Co HFC Network;
- ~~(b)~~(f) the NBN Co Wireless Network; and
- ~~(c)~~(g) the NBN Co Satellite Network,

and includes the NBN Co Equipment. A reference in this Special Access Undertaking to the phrase 'NBN Co Network' in the singular refers collectively to all ~~three~~ of these networks, and the phrase 'each NBN Co Network' refers to each of these networks, and any NBN Co Equipment in respect of those networks.

**NBN Co Node** means an NBN Co FTTB Node, NBN Co FTTN Node or NBN Co DPU (as applicable).

**NBN Co ODF** means an optical distribution frame that is owned or operated by NBN Co or any Related Body Corporate of NBN Co at a POI Site or an Aggregation Node Site.

**NBN Co ODF Termination Point** has the meaning given to that term in clause 1A.7(c)~~1A.7(e)~~.

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~~**NBN Co Operations Manual** means the document entitled “NBN Co Operations Manual” (as amended from time to time in accordance with an Access Agreement) that forms part of an Access Agreement.~~

**NBN Co Permanent Satellite Network** means a satellite network that is owned or controlled by, or operated on behalf of, NBN Co or any Related Body Corporate of NBN Co.

**NBN Co Pillar** means a distribution frame installed in, or in proximity to, an NBN Co FTTN Node and used by NBN Co for the purposes of supplying an Ordered Product.

**NBN Co Platform** means NBN Co’s operational support systems and billing support systems for the purpose of ordering and tracking of Products, billing, payment and fault reporting and detection and restoration, where NBN Co provides access to those systems and any functionality of those systems in accordance with an Access Agreement, (and for the purposes of communications, includes NBN Co’s Website), but excludes access to NBN Co’s core systems or any functionality of those core systems.

**NBN Co Satellite Access Service** or **NSAS** means an Ethernet-based, Layer 2 virtual connection on the NBN Co Satellite Network that carries traffic between:

- (a) a UNI on the NTD located at or near a Premises; and
- (b) the NNI associated with the CSA in which that Premises is located,

for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service.

**NBN Co Satellite Mobility for Large Commercial Passenger Aircrafts** means a service comprising a network connection on the NBN Co Satellite Network between an NNI and another handover point for the purposes of enabling an Access Seeker or Downstream Customer to supply a network connection to a mobile terminal installed on a large commercial passenger aircraft.

**NBN Co Satellite Network** means:

- (a) the NBN Co Interim Satellite Network; and
- (b) the NBN Co Permanent Satellite Network.

~~**NBN Co Service Qualification System** means a system or systems made available by NBN Co (whether automated or manually implemented) to enable an Access Seeker to determine whether a particular address is identified by NBN Co as serviceable (at a given point in time) by the NBN Co Network.~~

**NBN Co Side MDF** means a distributor at an MDU Site that terminates at a common point NBN Co’s cabling for cross-connection by means of Jumper Cables to the Customer Side MDF. Note that in respect of the NBN Co FTTN Network or NBN Co FTTC Network, a Pre-existing Carrier Side MDF may become an NBN Co Side MDF on and from the date that the lead-in cabling which is terminated at that MDF becomes part of the NBN Co Copper Network.

**NBN Co Sky Muster Plus Satellite Service** means a Layer 3 and above service on the NBN Co Permanent Satellite Network and other network infrastructure owned, controlled or operated by or on behalf of NBN Co, that carries traffic between a physical interface serving a premises and the first point of interconnection with a peering link to the Internet, for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service.

**NBN Co Smart Places** means the “nbn™ Smart Places” Product introduced by NBN Co in accordance with Schedule 1I (Product Development and Withdrawal) or Schedule 2H (Product Development and Withdrawal) as subsequently varied.

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**NBN Co Wireless Access Service** or **NWAS** means an Ethernet-based, Layer 2 virtual connection on the NBN Co Wireless Network that carries traffic between:

- (a) a UNI on the NTD located at or near a Premises; and
- (b) the NNI associated with the CSA in which that Premises is located,

for the purposes of enabling an Access Seeker or a Downstream Customer to supply a Carriage Service or Content Service.

**NBN Co Wireless Network** means the wireless network that is owned or controlled by, or operated on behalf of, NBN Co or any Related Body Corporate of NBN Co.

**NBN Co's Website** means NBN Co's website, with the URL <https://www.nbnco.com.au> or such other URL as NBN Co may notify Access Seekers from time to time.

**NBN Companies Act** means the National Broadband Network Companies Act 2011 (Cth).

**NBN Offer** means:

(a) an offer in respect of a Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service:

(i) ~~each of the offers~~ described in clauses 1C.2 and 2B.3;

(ii) ~~any offers~~ introduced by NBN Co in accordance with Schedule 1I (Product Development and Withdrawal) or ~~Schedule 2H~~ Schedule 2D (Product Development and Withdrawal), except offers in relation to a Competitive Service;

~~(iii)~~ (iii) introduced through the re-categorisation of a product or service to be a Core Regulated Service in accordance with clause 2G.6.4; and

(iv) ~~any offers~~ introduced by NBN Co ~~that are in respect of any~~ Initial Products or Licence Condition Products, including any Initial Products introduced prior to the Second SAU Variation Date; and

(b) an offer in respect of a product or service within the scope of the NBN Access Service, Ancillary Services and the Facilities Access Service, introduced by NBN Co during the Post-2032 Regulatory Period,

where, for clarity:

(c) each offer in respect of a bandwidth profile, Enhanced Fault Service Level or other Product Feature (or bundle) supplied by means of any specified NBN Co Network is a separate NBN Offer from the offer supplied by means of any other specified NBN Co Network; and

~~(e)~~ (d) NBN Offers ~~but does~~ not include Other Charges.

**NBN Prudency Implementation Paper** means a written report prepared by NBN Co that sets out certain information regarding a Network Change in accordance with clause 1D.8.4.

**NBN-Related Networks** means the NBN Co Network, the NBN Co Platform, the National Test Facility, any Other NBN Co Networks and any other network, systems, equipment and facilities used by NBN Co in connection with the supply of Product Components, Product Features, Ancillary Services or the Facilities Access Service, excluding any Central Splitter.

**NBN Serviceable**, in respect of each Product, Product Component and Product Feature, means a Premises or Smart Location that NBN Co has determined is serviceable by the NBN Co Network, ~~as~~

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~~shown in the NBN Co Service Qualification System (and, in the case of the NNAS, is confirmed by NBN Co following on site validation by NBN Co in response to an order for the NNAS in respect of that Premises).~~

NBN Service Standards Change Event means the notification by NBN Co to the ACCC of a Benchmark Service Standards Change Proposal which, if clause 2I.2.3(g) were to apply in respect of that Benchmark Service Standards Change Proposal, is likely to result in NBN Co incurring Materially higher or lower costs of supplying WAPC Charge Components than it would have incurred but for that event.

Negative Change Event is a Cost Pass-Through Event that results, or is likely to result, in NBN Co incurring Materially lower costs of supplying WAPC Charge Components than it would have incurred but for that event.

**Negative Tax Change Event** occurs if:

- (a) any of the following occurs ~~during the Initial Regulatory Period for NBN Co:~~
- (i) a change in a Relevant Tax, in the application or official interpretation of a Relevant Tax, in the rate of a Relevant Tax, or in the way a Relevant Tax is calculated; or
  - (ii) the removal of a Relevant Tax; and
- (b) in consequence, the costs to NBN Co of supplying products and services ~~NBN Offers or performing activities associated with Other Charges~~ are decreased.

**Net Economic Benefit** means, in respect of a Network Change Option:

- (a) the Market Benefits associated with that option, determined by reference to the criteria in clause 1D.12.1(b)(i); less
- (b) the Network Change Costs associated with that option, determined by reference to the criteria in clause 1D.12.1(b)(iii).

Net Nominal Capital Expenditure means, in respect of an Asset Class, the nominal value of prudent and efficient Capital Expenditure less the nominal value of Disposals.

**Net Tax Allowance** is calculated in accordance with clause 1E.8.3 ~~1E.9.3~~.

Network Activity means, in relation to an Ordered Product, any action determined by NBN Co as reasonable to ameliorate the Line rate at the NBN Co Downstream Network Boundary used to serve the Premises so that it is capable of achieving the PIR Objective or CIR Objective (as relevant).

**Network Change** means any variation, change, augmentation or enhancement to the design, engineering or construction of the Relevant Assets that is not:

- (a) materially consistent with or within the scope of the Network Design Rules as described in clauses 1D.7.1 and 1D.7.4; or
- (b) materially consistent with or within the scope of a Permitted Variation as described in clause 1D.7.2.

**Network Change Costs** has the meaning given to that term in clause 1D.12.1(b)(iii).

**Network Change Dispute** means a dispute that may be initiated by NBN Co under clause 1D.10.2(b)(i).

**Network Change Dispute Condition** has the meaning given to that term in clause 1D.10.1(b).

**Network Change Dispute Participants** has the meaning given to that term in clause 1D.10.3(c).

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**Network Change Option** has the meaning given to that term in clause 1D.8.2(a).

**Network Design Rules** means the documents that set out the design of the Relevant Assets that NBN Co provides to the ACCC for the purposes of the ACCC's consideration of this Special Access Undertaking and as updated from time to time by NBN Co in accordance with this Special Access Undertaking.

**Network to Network Interface** or **NNI** has the meaning given to that term in clause 1A.3.4.

**Network to Network Interface Offer** has the meaning given to that term in clause 1C.2.7.

**Network Termination Device** or **NTD** means an [active or powered](#) network termination device that is owned, operated or controlled by NBN Co (or any Related Body Corporate of NBN Co) [but does not include a Passive NTD or FTTC-NCD](#).

[New Proposed Accounting Procedures](#) has the meaning given to that term in clause 2I.6.5.

[NNI Link](#) means a logical connection between:

(a) [a V-NNI; and](#)

(b) [an NNI \(that is not a V-NNI\).](#)

**NNI Modification** means the modification of the configuration of an NNI which NBN Co supplies to an Access Seeker in respect of a POI where the Access Seeker has validly requested that modification be performed.

**No Fault Found (No Truck Roll Required)** means the investigation of a fault that is reported by an Access Seeker to NBN Co which NBN Co determines, acting reasonably, is a Non-NBN Fault where NBN Co Personnel have not attended the suspected location of the suspected cause of that alleged Service Fault for the purposes of investigating and/or rectifying that alleged Service Fault.

**No Fault Found (Truck Roll Required)** means the investigation of a fault that is reported by an Access Seeker to NBN Co which NBN Co determines, acting reasonably, is a Non-NBN Fault where NBN Co Personnel have attended the suspected location of the suspected cause of that alleged Service Fault for the purposes of investigating and/or rectifying that alleged Service Fault.

[Nominal Core Services RAB Portion](#) is calculated in accordance with clause 2G.5.9(a).

[Nominal Annual Drawdown of ICRA](#) is calculated in accordance with:

(a) [during the Subsequent Regulatory Period, clause 2G.4.2; and](#)

(b) [during the Post-2032 Regulatory Period, clause 3B.3.6.](#)

**Nominal RAB** is calculated in accordance with:

(a) during the Initial Regulatory Period, clause 1D.2.2; and

(b) during the Subsequent Regulatory Period, clause [2G.5.8-2C.7.8](#).

**Nominal Regulatory Depreciation** is calculated in accordance with clause [1E.8.1\(c\)](#)~~1E.9.1(c)~~.

**Nominal Straight Line Depreciation** has the meaning given to that term in clause [1E.8.1\(b\)](#)~~1E.9.1(b)~~.

**Nominal Tax Depreciation** is calculated in accordance with clauses [1E.8.2](#)~~1E.9.2~~ and [2G.7.1](#), as the case [may be](#).

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**Non-Discrimination Obligations** means the obligations that apply to an NBN corporation (as that term is defined in section 5 of the NBN Companies Act) under section 152AXC and section 152AXD of the CCA.

**Non-Infrastructure Transfers (per Service Transfer)** means an activity in respect of which a charge is imposed on the Gaining Customer for a bulk order of more than 100 Service Transfers within a single transaction that:

- (a) relates to the transfer of services from an other Losing Customer to that Gaining Customer as a result of a commercial arrangement (including an acquisition or similar transaction); and
- (b) is approved as a “Non-infrastructure Type Transfer” by NBN Co.

**Non-NBN Fault** means any event or circumstance which is suspected by either party, or reported by an Access Seeker, as being:

- (a) a Service Fault;
- (b) a fault with an NBN-Related Network; or
- (c) a fault for which NBN Co is otherwise responsible,

but which is not a Service Fault.

**Non-Recurring Successor Charge Component** has the meaning given to that term in clause 2D.3.4(a)(i)(A).

**Non-Recurring WAPC Charge Component** means a WAPC Charge Component with a Price charged on a non-recurring basis.

~~**Non-Service Impacting Multicast Domain Modification** means the modification of a Multicast Domain comprising:~~

- ~~(a) the addition or deletion of one or more Media Streams;~~
- ~~(b) the modification of the bandwidth; or~~
- ~~(c) the modification of an existing IGMP Report Source Address.~~

**Non Standard Installation** means a Non Standard NFAS Installation ~~or~~ a Non Standard NWA<sup>S</sup> Installation, a Non Standard NBN Co FTTB Access Service Installation, a Non Standard NBN Co FTTN Access Service Installation, a Non Standard NBN Co FTTC Access Service Installation, a Non Standard NBN Co HFC Access Service Installation or a Non Standard NSAS Installation (as applicable).

**Non Standard NBN Co FTTB Access Service Installation** means an Installation where:

- (a) the conditions set out in clause 1 of Annexure 3 (Standard NBN Co FTTB Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are not satisfied; or
- (b) the installation is otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 3 (Standard NBN Co FTTB Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Non Standard NBN Co FTTC Access Service Installation** means an Installation where:

- (a) the conditions set out in clause 1 of Annexure 6 (Standard NBN Co FTTC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are not satisfied; or



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(b) the installation is otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 6 (Standard NBN Co FTTC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Non Standard NBN Co FTTN Access Service Installation** means an Installation where:

- (a) the conditions set out in clause 1 of Annexure 4 (Standard NBN Co FTTN Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are not satisfied; or
- (b) the installation is otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 4 (Standard NBN Co FTTN Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Non Standard NBN Co HFC Access Service Installation** means an Installation where:

- (a) the conditions set out in clause 1 of Annexure 5 (Standard NBN Co HFC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are not satisfied; or
- (b) the installation is otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 5 (Standard NBN Co HFC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Non Standard NFAS Installation** means an Installation where:

- (a) the conditions set out in clause 1 of Annexure 1 (Standard NFAS Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are not satisfied; or
- (b) the installation is otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 1 (Standard NFAS Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Non Standard NSAS Installation** means an Installation where:

- (a) the conditions set out in clause 1 of Annexure 7 (Standard NSAS Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are not satisfied; or
- (b) the installation is otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 7 (Standard NSAS Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Non Standard NNAS Installation** means an Installation where:

- (a) the conditions set out in clause 1 of Annexure 2 (Standard NNAS Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are not satisfied; or
- (b) the installation is otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 2 (Standard NNAS Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Non-Voiceband Service** means a Carriage Service that is supplied by means of the Other Copper Network or NBN Co Copper Network and is not a Voiceband Service or an Ordered Product.

**Non-WAPC Core Service Charges** means:

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- (a) Other Charges consisting of an hourly labour rate (or such other labour-based charge) and/or cost of materials;
- (b) charges in relation to any construction, configuration, extension and upgrade activities that are ancillary or incidental to the supply of an NBN Access Service or other product or service supplied by NBN Co;
- (c) charges in relation to deployment of network infrastructure at a new development;
- (d) charges in relation to a product or service supplied by NBN Co under Part 3 or Part 5 of Schedule 1 to the Telecommunications Act 1997 (Cth) or the Facilities Access Code;
- (e) charges in relation to services that support the continuity of services previously supplied by a customer over a network previously owned by that customer, where ownership of that network has been transferred to NBN Co; and
- (f) charges in relation to a Core Regulated Service that the ACCC has approved in writing to be excluded from the application of the WAPC formula in clause 2D.2.2, provided that such approval has not been withdrawn by the ACCC in writing.

**Not-for-Profit Group** means a body or association whose functions include representing the interests of charities and other not-for-profit organisations in Australia in connection with telecommunications services in Australia.

**ODF** means optical distribution frame.

**On Site Maintenance Call Out** means the performance of works by NBN Co Personnel to rectify a Service Fault that requires NBN Co Personnel to attend the location of the cause of that Service Fault for the purposes of rectifying that Service Fault.

**O Pair Frame** means a distributor at an NBN Co Pillar that terminates the NBN Co Copper Pairs at a common point.

**Operating Expenditure** means operating expenditure incurred by NBN Co or any Related Body Corporate of NBN Co;

(a) including labour, marketing, general administration and overheads, materials, licence fees, government charges, universal service obligation levies, insurance premiums, and applicable Taxes and, from 1 July 2023, amounts paid in connection with service standards commitments; but

~~(a)~~(b) excluding GST, and any taxes that relate to income, profit or capital gains and, from 1 July 2023, any amounts which NBN Co is liable to pay under the Regional Broadband Scheme.

**Optus Arrangements** means the contracts entered into between SingTel Optus Pty Limited (ABN 90 052 833 208) and NBN Co Limited on or around 23 June 2011.

**Ordered Product** means a Product that:

- (a) has been validly ordered by an Access Seeker and for which NBN Co has accepted the order; or
- (b) in the case of the ~~NBN Co~~-Platform Interfacing Service and the Sandpit, is supplied by NBN Co to an Access Seeker.

**OSI Model** means the open system interconnection model, which is the framework developed by the International Standards Organisation to provide worldwide standards for computer communications.

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**Other Charge** means an ancillary charge associated with the supply of a Product Component, Product Feature, Ancillary Service, ~~or~~ type of Facility Access Service, or a product or service within the scope of the NBN Access Service, Ancillary Services and the Facilities Access Service introduced during the Post-2032 Regulatory Period, including:

- (a) the other charges described in clause ~~81C.4.2~~ of Attachment E, clause 3 of Attachment F and clause 3 of Attachment H; and
- (b) an ancillary charge associated with the supply of a new Product Component, Product Feature, Ancillary Service or type of Facilities Access Service introduced during the SAU Term, expressed as being an “other charge”,

~~but~~ where, for clarity:

- (a) Other Charges do not include ~~excluding~~ the Price (or any increase to the Price) of any NBN Offer;
- (b) Other Charges do not include the Price of any ancillary charge applied in relation to an Access Seeker’s acquisition of a Competitive Service; and
- (c) each “Other Charge” for any specified NBN Co Network is separate to an Other Charge for any other specified NBN Co Network.

**Other Copper Network** means a network in Australia comprising copper and aluminium wire lines (as augmented or modified from time to time) that is owned, controlled or operated by, or on behalf of, a Carrier (or any Related Body Corporate of that Carrier) other than NBN Co.

**Other NBN Co Network** means any network that is owned or controlled by, or operated by or on behalf of, NBN Co (or any Related Body Corporate of NBN Co), other than a network comprising the NBN Co Network.

**Other NBN Co Network Works** means any upgrade, enhancement, modernisation, reconfiguration, enablement or augmentation of any Other NBN Co Network, including the removal, rearrangement, replacement or decommissioning of the network elements and associated electronics comprising an Other NBN Co Network.

**Outage** means a failure of an Ordered Product to perform substantially in accordance with the relevant product description or product technical specification instigated by NBN Co in accordance with an Access Agreement in order to perform:

- (a) any Upgrade;

(b) any Other NBN Co Network Works;

~~(b)~~(c) any maintenance, repair, rationalisation or remediation of:

- (i) any NBN-Related Network;
- (ii) any other matter or thing for which NBN Co is responsible and which affects, or can affect, the supply of products by NBN Co to an Access Seeker; or
- (iii) any facilities, at, on or under which the NBN Co Network is attached, located or installed;

~~(c)~~(d) the relocation, closure or replacement of any POI, of which NBN Co has given prior notice in accordance with clauses 1H.4 or 2I.4; or

~~(d)~~(e) any other matter or thing specified in the ~~NBN Co~~WBA Operations Manual.

**Passive NTD** means a passive or non-powered device:

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(a) provided by a Carrier to establish a demarcation point between the Carrier's network and customer cabling / equipment; and

(b) permanently marked at manufacture with the words 'Network Termination Device' or the letters 'NTD'.

**PCD** means the Premises connection device which is owned or controlled by, or operated by or on behalf of, NBN Co or any Related Body Corporate of NBN Co for the purposes of the NBN Co Fibre Network, NBN Co FTTN Network, NBN Co FTTC Network or NBN Co HFC Network.

**PDF Processes** means the provisions of Annexure 1 (PDF Processes) to Schedule 1I (Product Development and Withdrawal).

**Permitted Variations** has the meaning given to that term in clause 1D.7.2(a).

**Personnel** means officers, employees, agents, contractors, subcontractors and consultants. References in this Special Access Undertaking to Personnel of NBN Co do not include Access Seeker, its Related Bodies Corporate or their respective officers, employees, agents, contractors, subcontractors or consultants when performing any activities as a contractor of NBN Co in connection with the supply of a Product.

**Pillar Jumper Cable** means a Line that is used, or capable of being used, to supply a Carriage Service from the NBN Co Frame to the O Pair Frame.

**PIR** means peak information rate.

**PIR Objective** means, in respect of an Ordered Product, the Line rate at the NBN Co Downstream Network Boundary used to serve the relevant Premises is capable of achieving the provision of an AVC TC-4 bandwidth profile of at least:

(a) in the case of the NBN Co FTTB Network:

(i) 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink for that bandwidth profile; or

(ii) 25 Mbps PIR (TC-4) downlink and 5 Mbps PIR (TC-4) uplink for all other bandwidth profiles;

(b) in the case of the NBN Co FTTN Network:

(i) during the Co-existence Period, 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink; and

(ii) otherwise:

(A) 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink for that bandwidth profile; or

(B) 25 Mbps PIR (TC-4) downlink and 5 Mbps PIR (TC-4) uplink for all other bandwidth profiles; and

(c) in the case of the NBN Co FTTC Network:

(i) 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink for that bandwidth profile;

(ii) 25 Mbps PIR (TC-4) downlink and 5 Mbps PIR (TC-4) uplink for that bandwidth profile;

(iii) 25 Mbps PIR (TC-4) downlink and 10 Mbps PIR (TC-4) uplink for that bandwidth profile; or

(iv) 50 Mbps PIR (TC-4) downlink and 20 Mbps PIR (TC-4) uplink for all other bandwidth profiles.

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**Placed in Service** means the date on which:

- (a) the Relevant Asset has reached practical completion;
- (b) the Relevant Asset is ready for commercial operation; and
- (c) the Capital Expenditure incurred in connection with the Relevant Asset is recognised in NBN Co's accounts.

**Platform Interfacing Offer** means the offer described in clause 1C.2.8.

**Platform Interfacing Service** has the meaning given to that term in clause 1A.6.1.

**POI List** means the list of locations made by the ACCC for the purposes of section 151DB of the CCA, as may be varied from time to time pursuant to section 151DB of the CCA.

**POI Site** means a location within a Type 1 Facility or a Type 2 Facility:

- (a) in respect of which a POI is established;
- (b) at which NBN Co supplies NBN Co ODF Termination Point;
- (c) at or in respect of which NBN Co supplies Cross-Connects; and
- (d) if that POI is established at a POI Site located within a Type 1 Facility, in respect of which NBN Co supplies the NBN Co Building Entry Service.

**Point of Interconnect** or **POI** means a point of interconnection between the NBN Co Network and the Access Seeker's network, and includes Established POIs and Temporary POIs.

**Points of Interconnect Plan** has the meaning given to that term in clause 1H.3.1(a).

**Positive Change Event** is a Cost Pass-Through Event that results, or is likely to result, in NBN Co incurring Materially higher costs of supplying WAPC Charge Components than it would have incurred but for that event.

**Positive Tax Change Event** occurs if:

- (a) any of the following occurs ~~during the Initial Regulatory Period for NBN Co~~:
  - (i) a change in a Relevant Tax, in the application or official interpretation of a Relevant Tax, in the rate of a Relevant Tax, or in the way a Relevant Tax is calculated; or
  - (ii) the imposition of a Relevant Tax; and
- (b) in consequence, the costs to NBN Co of supplying products and services ~~NBN Offers or performing activities associated with Other Charges~~ are increased.

**Post-2032 Regulatory Period** has the meaning given to that term in clause 4.1(d).

**Pre-existing Carrier Side MDF** means a distributor at an MDU Site that terminates at a common point the lead-in cabling of a Carrier (other than NBN Co or its Related Bodies Corporate) for cross-connection by means of jumpers to the Customer Side MDF. Note that in respect of the NBN Co FTN Network and NBN Co FTTC Network, a Pre-existing Carrier Side MDF may become an NBN Co Side MDF on and from the date that the lead-in cabling which is terminated at that MDF becomes part of the NBN Co Copper Network.

**Preferred Network Change Option** has the meaning given to that term in clause 1D.8.3.

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**Premises** means each of the following where NBN Serviceable:

- (a) an addressable location currently used on an on-going basis for residential, business (whether for profit or not), government, health or educational purposes;
- (b) a school as defined by the Department of Education, Employment and Workplace Relations;
- (c) a location within a new development at an addressable location for which NBN Co is the wholesale provider of last resort;
- (d) an addressable location for a standard telephone service which is activated in compliance with the USO;
- (e) a payphone which is activated in compliance with the USO or which is otherwise specified by NBN Co as a premises from time to time;
- (f) a location which NBN Co is directed by the Shareholder Ministers to connect to, or to be connected by, the NBN Co Network; ~~and~~
- (g) a non-addressable location that is capable of connection of a type agreed by NBN Co with the Shareholder Ministers; ~~;~~
- (h) an MDU common area; and
- (i) any other location to which NBN Co supplies a Product that has been introduced by NBN Co pursuant to Schedule 1I (Product Development and Withdrawal) or Schedule 2H (Product Development and Withdrawal).

**Previous Year's Price** has the meaning given to that term in clause 1C.4.2(a); ~~;~~

- ~~(a) in relation to the Initial Regulatory Period, in clause 1C.5.2(a); and~~
- ~~(b) in relation to the Subsequent Regulatory Period, in clause 2B.2.3(a).~~

**Price** means a charge excluding GST, but including all other applicable Taxes, and excluding any interest, late payment fees, Discounts or any other additions or deductions that may be applicable.

~~**Price Review** has the meaning given to that term:~~

- ~~(a) in relation to the Initial Regulatory Period, in clause 1G.3.1(a); and~~
- ~~(b) in relation to the Subsequent Regulatory Period, in clause 2E.2.1(a).~~

~~**Price Review Arrangement** means:~~

- ~~(a) in relation to the Initial Regulatory Period, a Price Review Arrangement accepted or issued in accordance with clause 1G.3; and~~
- ~~(b) in relation to the Subsequent Regulatory Period, a Price Review Arrangement accepted or issued in accordance with clause 2E.2.~~

~~**Price Review Criteria** has the meaning given to that term:~~

- ~~(a) in relation to the Initial Regulatory Period, in clause 1G.3.8(a) and~~
- ~~(b) in relation to the Subsequent Regulatory Period, in clause 2E.2.8(a).~~

~~**Price Review Notice** has the meaning given to that term:~~

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~~(a) in relation to the Initial Regulatory Period, in clause 1G.3.1(a); and~~

~~(b) in relation to the Subsequent Regulatory Period, in clause 2E.2.1(a).~~

**Price Review Proposal** has the meaning given to that term:

~~(a) in relation to the Initial regulatory period, in clause 1G.3.2; and~~

~~(b) in relation to the Subsequent Regulatory Period, in clause 2E.2.2.~~

Price Transition Date has the meaning given to that term in clause 2B.1.4(a).

**Pricing Intention Statement** means the statement issued by NBN Co regarding NBN Co's pricing intentions in relation to the transition from the Initial Cost Recovery Period to the Building Block Revenue Period in accordance with:

~~(a) during the Initial Regulatory Period, clause 1E.2.6; and~~

~~(b) during the Subsequent Regulatory Period, clause 2C.5.6.~~

Pricing Roadmap has the meaning given to that term in clause 2B.2.4.

**Procurement Rules** means NBN Co's procurement rules that apply from time to time and which are required to contain a competitive tendering and procurement process in accordance with clause 1D.5.1.

**Product** means the following products that are offered for supply by NBN Co to Access Seekers:

(a) the NBN Co Fibre Access Service;

(b) the NBN Co Wireless Access Service;

(c) the NBN Co FTTB Access Service;

(d) the NBN Co FTTN Access Service;

(e) the NBN Co FTTC Access Service;

(f) the NBN Co HFC Access Service;

~~(c) the Interim Satellite Service;~~

~~(d)(g)~~ the NBN Co Satellite Access Service;

~~(e)(h)~~ the Platform Interfacing Service;

~~(f)(i)~~ the Sandpit;

~~(g)(j)~~ the Facilities Access Service;

~~(h)(k)~~ any new or varied products introduced by NBN Co pursuant to Schedule 1I (Product Development and Withdrawal) or Schedule 2H~~Schedule 2D~~ (Product Development and Withdrawal); and

~~(i)(l)~~ any new or varied products introduced by NBN Co that are Initial Products or Licence Condition Products.

**Product Component** means:

(a) the UNI;

(b) the AVC;

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- (c) the CVC;
- (d) the NNI;
- (e) any new or varied product components introduced by NBN Co pursuant to Schedule 1I (Product Development and Withdrawal) or [Schedule 2H](#)~~Schedule 2D~~ (Product Development and Withdrawal); or
- (f) any new or varied product components introduced by NBN Co that are Initial Products or Licence Condition Products,

including any associated Product Features, but excluding the Ancillary Services and the Facilities Access Service.

**Product Development Forum** or **PDF** has the meaning given to that term in:

- (a) during the Initial Regulatory Period, clause 1I.3.1(a); and
- (b) during the Subsequent Regulatory Period, clause [2H.4.1\(a\)](#)~~2D.4.1(a)~~.

**Product Feature** means a feature of a Product Component that is made available by NBN Co and which is selectable by the Access Seeker in connection with that Product Component (e.g. Data Transfer Rate of an AVC), including:

- (a) the product features described in clause 1 of Attachment D (Initial Products);
- (b) any new or varied product feature introduced by NBN Co pursuant to Schedule 1I (Product Development and Withdrawal) or [Schedule 2H](#)~~Schedule 2D~~(Product Development and Withdrawal); and
- (c) any new or varied product feature introduced by NBN Co as part of a Licence Condition Product.

**Product Idea** means a proposal for the development of a new Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service or a variation or enhancement to an existing Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service, including proposals made by Access Seekers, Consumer Advocacy Groups and/or NBN Co.

**Professional FTTC-NCD Installation** means the initial installation by NBN Co of the FTTC-NCD Connecting Equipment, by attending the Premises, where all of the following conditions are met in respect of the Premises at which such installation is to occur:

- (a) [the Premises is in the footprint of the NBN Co FTTC Network;](#)
- (b) [the Premises is NBN Serviceable for the purposes of supplying the NBN Co FTTC Access Service;](#)
- (c) [an NBN Co DPU has been installed and at least one NBN Co Copper Pair is available and has been cut-in to the NBN Co DPU;](#)
- (d) [a Lead-In Cable has been installed;](#)
- (e) [where the Premises is a MDU Site, Jumpering has been completed;](#)
- (f) [where the Premises is not an MDU Site, a PCD, Copper Connecting Cable and Telecommunications Outlet or Passive NTD have been installed; and](#)
- (g) [either:](#)
  - (i) [no FTTC-NCD has been installed; or](#)



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(ii) where an FTTC-NCD has been installed, the FTTC-NCD is missing or no UNI-D port is available on the existing FTTC-NCD.

**Professional HFC-NTD Installation** means the initial installation by NBN Co of an HFC Fly Lead, HFC RF Splitter (as required) and NTD, by attending the Premises, where all of the following conditions are met in respect of the Premises at which such installation is to occur:

- (a) the Premises is in the footprint of the NBN Co HFC Network;
- (b) the Premises is NBN Serviceable for the purposes of supplying the NBN Co HFC Access Service;
- (c) a physical connection is in place between the HFC Tap and the PCD and no augmentation or patching between the PCD and the HFC Tap is required for the supply of the NBN Co HFC Access Service;
- (d) an HFC Connecting Cable has been installed to at least one HFC Wall Outlet which is able to be used for the supply of the NBN Co HFC Access Service (including through installation of an HFC RF Splitter); and
- (e) no NTD has been installed or an NTD has been installed but no UNI ports are available.

**Professional Wiring Service** means any of the following optional activities:

- (a) the installation or removal by NBN Co Personnel of a Central Splitter at a Premises;
- (b) the isolation by NBN Co Personnel of the Lead-In Cable from other internal copper wiring within a Premises by disconnecting second or subsequent telecommunications outlet(s) from the NBN Co Copper Pair at the Telecommunications Outlet;
- (c) the enabling by NBN Co Personnel of the re-use of secondary cabling including by terminating that secondary cabling to second or subsequent telecommunications outlet(s);
- (d) the installation by NBN Co Personnel of new internal copper wiring; and
- (e) the installation, relocation or replacement by NBN Co Personnel of telecommunications outlet(s).

**Proposed Accounting Procedures** has the meaning given to that term in clause 2I.6.1.

**Proposed Financial Information** has the meaning given to that term in clause 1F.1.4.

**Proposed CAM** has the meaning given to that term in clause 2G.6.3(a).

**Proposed Change Effective Date** has the meaning given to that term in clause 1G.2.2(a)(iv).

**Proposed Withdrawn Product** means:

- (a) a Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service in respect of which NBN Co has issued a notice of withdrawal under clause 2H.6.2(a);
- (b) a Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service in respect of which NBN Co becomes aware of a requirement to withdraw on the grounds referred to in clause 2H.6.4(a); or
- ~~(a)~~(c) a product or service that is outside the scope of the NBN Access Service, the Ancillary Services and the Facilities Access Service and that has been withdrawn by NBN Co.

**Prudent Cost Condition** has the meaning given to that term in clause 1D.4.

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**Prudent Design Condition** has the meaning given to that term in clause 1D.6.

~~**RAB Roll Forward Arrangement** has the meaning given to that term in clause 2C.7.1.~~

~~**RAB Roll Forward Proposal** has the meaning given to that term in clause 4.7.~~

**Rack Space** means rack space made available by NBN Co to an Access Seeker for the purposes of NBN Co Co-location.

**Real Core Services RAB Portion** is calculated in accordance with clauses 2G.5.2(a) and 2G.5.4.

**Real Module 2 Core Services ICRA** has the meaning given to that term in clause 2G.3.1(c).

**Real Module 2 ICRA** has the meaning given to that term in clause 2G.3.1(b).

**Real Module 3 ICRA** has the meaning given to that term in clause 3B.3.5(b).

**Real RAB** is calculated in accordance with:

(a) during the Initial Regulatory Period, clause 1D.2.1; ~~and~~

(b) during the Subsequent Regulatory Period, clause 2G.5.2C.7; and

~~(b)(c) during the Post-2032 Regulatory Period, clause 3B.4.~~

**Real Straight Line Depreciation** has the meaning given to that term in clause 1E.8.1(a)~~1E.9.1(a).~~

~~**Regulated Revenue** or **RR** is calculated in accordance with clause 1E.6.1.~~

**Recurring WAPC Charge Component** means a WAPC Charge Component with a Price charged on a recurring basis.

**Regional Broadband Scheme** means the scheme of that name established under the *Telecommunications (Consumer Protection and Service Standards) Act 1999 (Cth)* and the *Telecommunications (Regional Broadband Scheme) Charge Act 2020 (Cth)*.

**Regulatory Asset Base** or **RAB** is calculated in accordance with:

(a) during the Initial Regulatory Period, clause 1D.2; ~~and~~

(b) during the Subsequent Regulatory Period, clause 2G.5.2C.7; and

~~(b)(c) during the Post-2032 Regulatory Period, clause 3B.4.~~

~~**Regulatory Asset Base Roll Forward** or **RAB Roll Forward** means the basis upon which the Regulatory Asset Base will be updated annually, calculated in accordance with:~~

~~(a) during the Initial Regulatory Period, clause 1D.2.1(b); and~~

~~(b) during the Subsequent Regulatory Period, clauses 2C.7.2 and 2C.7.3.~~

**Regulatory Change Event** means any change to a Regulatory Requirement (including the imposition of a new Regulatory Requirement or the removal of an existing Regulatory Requirement) that does not fall within another category of Cost Pass-Through Event.

**Regulatory Cycle** means:

(a) the First Regulatory Cycle; or

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~~(c)(b)~~ -a period within either the Subsequent Regulatory Period, or the Post-2032 Regulatory Period, in which an ACCC Replacement Module Determination is in effect or will be in effect, or is taken to be in effect for the purposes of applying this Special Access Undertaking pursuant to clause 5.9(d). ~~either:~~

~~(d) — a Replacement Module; or~~

~~(e) — an ACCC Replacement Module Determination;~~

~~is in effect or will be in effect.~~

**Regulatory Determination** means an Access Determination or a Binding Rule of Conduct.

Regulatory Requirement means any legal or regulatory obligation or requirement (including those arising from an administrative act or decision) to the extent that it materially affects, or is reasonably anticipated to materially affect, the supply of products or services by NBN Co.

**Related Body Corporate** has the meaning given to that term in section 50 of the Corporations Act.

**Relevant Assets** means the assets that comprise:

- (a) the NBN Co Networks;
- (b) any other telecommunications network owned or controlled by, or operated by or on behalf of, NBN Co or any Related Body Corporate of NBN Co;
- (c) all other network elements, platforms (including the NBN Co Platform), systems and functions owned or controlled by, or operated by or on behalf of, NBN Co or any Related Body Corporate of NBN Co; and
- (d) any other assets owned or controlled by, or operated by or on behalf of, NBN Co or any Related Body Corporate of NBN Co.

Relevant Expenditure means:

(a) Capital Expenditure; and

(b) Operating Expenditure.

**Relevant Financial Year** has the meaning given to that term:

- (a) in relation to the Initial Regulatory Period, in clause ~~1C.41C.5.1~~; and
- (b) in relation to the Subsequent Regulatory Period, in clause ~~2F.5.12B.2.2~~.

**Relevant Tax** means any of the following:

- (a) any Tax other than GST that becomes law and is effective after the SAU Commencement Date, assessed, levied or imposed on NBN Co, the NBN Co Network or any facilities or land used, occupied or accessed in connection with the NBN Co Network, or the supply of Product Components, Product Features, Ancillary Services or types of Facilities Access Service, or anything used, occupied or accessed in connection with the supply of Product Components, Product Features, Ancillary Services or types of Facilities Access Service; or
- (b) any Tax (or any amount payable in respect of any Tax) other than GST already assessed, levied or imposed on NBN Co, the NBN Co Network or any facilities or any land used, occupied, accessed in connection with the NBN Co Network, or the supply of Product Components, Product Features, Ancillary Services or types of Facilities Access Service, or anything used, occupied or accessed in

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connection with the supply of Product Components, Product Features, Ancillary Services or types of Facilities Access Service.

Remote Area means an area in which the relevant Premises is located which is not an Urban Area, Major Rural Area or Minor Rural Area and, if the Premises is located within the footprint of the NBN Co Satellite Network, an area which is also not an Isolated Area or Limited Access Area.

~~Replacement Module~~ means a module which applies for any fixed period after the Initial Regulatory Period that has the purpose of setting out the detailed commitments made by NBN Co in connection with the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service.

**Replacement Module Application** is an application given by NBN Co to the ACCC in respect of a proposed Regulatory Cycle which is after the First Regulatory Cycle ~~to vary this Special Access Undertaking under section 152CBG of the CCA by incorporating a Replacement Module into this Special Access Undertaking submitted~~ in accordance with clause 5.24.5.

**Resetting Regulatory Determination** means:

- (a) in respect of an NBN Offer or Other Charge that was previously Zero-Priced and has ceased to be Zero-Priced in accordance with clauses 1C.4.4~~1C.5.4~~ or 2C.5~~2B.3~~:
- (i) the first Regulatory Determination; or
  - (ii) if the first Regulatory Determination is a Binding Rule of Conduct or an Interim Access Determination, the second or subsequent Regulatory Determination,
- that in all cases:
- (iii) was made within 24 months of the date on which the NBN Offer or Other Charge ceased to be Zero-Priced;
  - (iv) specifies a maximum price for the NBN Offer or Other Charge; and
  - (v) comes into force on the date on which that Regulatory Determination is made; or
- (b) in respect of a new NBN Offer or a new Other Charge:
- (i) the first Regulatory Determination; or
  - (ii) if the first Regulatory Determination is a Binding Rule of Conduct or an Interim Access Determination, the second or subsequent Regulatory Determination,
- that in all cases:
- (iii) was made within 24 months of the NBN Offer or Other Charge being introduced;
  - (iv) specifies a maximum price for the NBN Offer or Other Charge; ~~and~~
  - (v) comes into force on the date on which that Regulatory Determination is made; and-
  - (vi) was made by the ACCC after taking into account (except where the Regulatory Determination is a Binding Rule of Conduct and the ACCC considered, having regard to the urgent need to make the Binding Rule of Conduct, that it was not practicable to do so):
    - (A) the characteristics of other NBN Offers and activities associated with other Other Charges;

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- (B) the costs associated with other NBN Offers and Other Charges;
- (C) the impact of the Regulatory Determination on the Revenue associated with other NBN Offers and Other Charges; and
- (D) the impact of the Regulatory Determination on the demand for other NBN Offers and activities associated with other Other Charges.

**Restoration** means the restoration of the supply of an Ordered Product after the cessation of an ordering freeze, service reduction or suspension where the matter giving rise to the ordering freeze, service reduction or suspension was contributed to by any act or omission of the Access Seeker.

**Retail Service Standard Regulation** means any legal or regulatory obligation or requirement (including those arising from an administrative act or decision) that:

- (a) imposes or changes a mandatory service standard on one or more Access Seekers in relation to the standard or standards of one or more Access Seeker Products they provide; and
- (b) necessitates a change to one or more of the then applicable Benchmark Service Standards if those Access Seekers are to be capable of complying with that mandatory service standard.

**Revenue** means:

~~(a)~~ during the Initial Regulatory Period, all revenue earned by NBN Co, or any Related Body Corporate of NBN Co, in connection with the Relevant Assets (net of all rebates, credits and allowances), including all revenue earned in connection with:

- (i) the Product Components and Product Features;
- (ii) the Ancillary Services; and
- (iii) the Facilities Access Service,

and including any applicable Taxes, interest, late payment fees or any other similar additional amount earned by NBN Co, or any Related Body Corporate of NBN Co, or any monies paid by one or more persons (other than NBN Co or any Related Body Corporate of NBN Co) in connection with a Third Party Funded Network Change, but excluding:

(iv) -GST; and

(v) any consideration received by NBN Co or any Related Body Corporate of NBN Co as a result of the divestiture of Relevant Assets;

(b) during the Subsequent Regulatory Period, all revenue earned by NBN Co, or any Related Body Corporate of NBN Co, in connection with the Relevant Assets (net of all rebates, credits and allowances, except amounts paid in connection with service standards commitments), including all revenue earned in connection with:

- (i) the Product Components and Product Features;
- (ii) the Ancillary Services; and
- (iii) the Facilities Access Service,

and including any applicable Taxes, interest, late payment fees or any other similar additional amount earned by NBN Co, or any Related Body Corporate of NBN Co, or any monies paid by one or more persons (other than NBN Co or any Related Body Corporate of NBN Co) in connection with a Third Party Funded Network Change, but excluding:

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(iv) GST;

(v) any consideration received by NBN Co or any Related Body Corporate of NBN Co as a result of the divestiture of Relevant Assets; and

(vi) any amounts which NBN Co receives or is entitled to receive by way of grant or distribution under the Regional Broadband Scheme; and

(c) during the Post-2032 Regulatory Period, all revenue earned by NBN Co, or any Related Body Corporate of NBN Co, in connection with the Relevant Assets (net of all rebates, credits and allowances, except amounts paid in connection with service standards commitments), including all revenue earned in connection with:

(i) the Product Components and Product Features;

(ii) the Ancillary Services; and

(iii) the Facilities Access Service,

and including:

(iv) any applicable Taxes, interest, late payment fees or any other similar additional amount earned by NBN Co, or any Related Body Corporate of NBN Co, or any monies paid by one or more persons (other than NBN Co or any Related Body Corporate of NBN Co) in connection with a Third Party Funded Network Change; and

(v) the forecast net amount that NBN Co will be entitled to receive by way of grant or distribution under the Regional Broadband Scheme (taking into account the forecast amount that NBN Co will be liable to pay under that scheme, excluding any administrative cost amounts) in relation to a Financial Year,

but excluding:

(vi) GST; and

(vii) any consideration received by NBN Co or any Related Body Corporate of NBN Co as a result of the divestiture of Relevant Assets.

~~**Revenue Variation** is calculated in accordance with clause 1E.6.2 for the purposes of aligning Revenues with Regulated Revenue for each Financial Year of the Building Block Revenue Period during the Initial Regulatory Period.~~

**Reverse Power Feed** means the power feed provided by the FTTC-NCD to power the NBN Co DPU via the NBN Co Copper Network.

~~**Reviewed Offer** has the meaning given to that term:~~

~~(a) in relation to the Initial Regulatory Period, in clause 1G.3.7(a)(iii); and~~

~~(b) in relation to the Subsequent Regulatory Period, in clause 2E.2.7(a)(iii).~~

**Revised NDR Date** has the meaning given to that term in clause 1D.7.4(c).

**Rollout Built Date** means the date on which a declaration is made by the Communications Minister that the NBN should be treated as built and fully operational, under section 48 of the NBN Companies Act.

**Sandpit** has the meaning given to that term in clause 1A.6.2.

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**Sandpit Offer** means the offer described in clause 1C.2.9~~1C.2.9~~.

**Satellite Labour Rate** means, at the SAU Commencement Date, \$98 per hour, rounded up to the next full hour required to perform the relevant activity, as may be amended from time to time in accordance with clause 1C.4.3(b) or 2E.2.4.

**SAU Commencement Date** has the meaning given to that term in clause 3.1.

**SAU Expiry Date** has the meaning given to that term in clause 3.2(a)~~3.2~~.

**SAU Service Standards Instrument** means, in respect of a Regulatory Cycle:

(a) Attachment I (Benchmark Service Standards for First Regulatory Cycle), if the Regulatory Cycle is the First Regulatory Cycle; or

(b) an ACCC Replacement Module Determination,

as the case may be.

**SAU Term** means the period from the SAU Commencement Date until the SAU Expiry Date, as may be extended pursuant to clause 9.3.7.3.

**Second Regulatory Cycle** means the Regulatory Cycle commencing immediately after the end of the First Regulatory Cycle.

**Second SAU Variation Date** means the date on which the ACCC provides NBN Co with written notice, in accordance with section 152CBG(5) of the CCA, of acceptance of the variation to this Special Access Undertaking which first introduced this defined term 'Second SAU Variation Date'.

**Second UNI-V and AVC Offer** means the offer described in clause 1C.2.5.

**Service Fault** means:

(a) a failure of an Ordered Product to perform substantially in accordance with the relevant product description or product technical specification where the failure is contributed to by:

- (i) a fault in or failure of an NBN-Related Network; or
- (ii) any other matter or thing for which NBN Co is responsible,

except where the failure:

- (iii) is an Outage (other than a failure contributed to by an ~~Outage~~-emergency Outage performed in response to an existing Service Fault where an End User has reported the failure to an Access Seeker and the Access Seeker has raised a trouble ticket in respect of that failure);
- (iv) relates to any other matter or thing for which NBN Co is excluded from responsibility for the failure in accordance with an Access Agreement; or
- (v) relates to an Ordered Product supplied by means of the NBN Co HFC Network or NBN Co FTTC Network and arises as a result of faulty or defective Installation of any Access Seeker Installed NBN Co Equipment or End User Installed NBN Co Equipment by Customer, a Downstream Customer, an End User or any of their respective Personnel; or

(b) a Central Splitter Fault.

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~~**Service Impacting Multicast Domain Modification** means the modification of a Multicast Domain comprising:~~

- ~~(a) the modification of the IP address of an existing Media Stream;~~
- ~~(b) the modification of the configured peak bandwidth value of an existing Media Stream; and~~
- ~~(c) a change to the S-TAG.~~

**Service in Operation** or **SIO** means a service in operation, which comprises the following:

- (a) ~~if only~~where a UNI-D on an NTD is being supplied ~~on an NBN Co to a Premises connected to the NBN Co Fibre Network, NBN Co Wireless Network, NBN Co Satellite Network or NBN Co HFC Network, the supply of a single AVC for use in conjunction with a single~~that UNI-D; ~~or~~
- (b) ~~if~~where a UNI-D and UNI-V on an NTD ~~are~~is being supplied ~~on to a Premises connected to~~ the NBN Co Fibre Network:
  - (i) the supply of a single ~~fibre~~-AVC for use in conjunction with a single UNI-D; and
  - (ii) the supply of a single ~~fibre~~-AVC for use in conjunction with a single UNI-V;
- (c) where a UNI-DSL is being supplied to a Premises connected to the NBN Co FTTB Network or NBN Co FTTN Network, the supply of a single AVC for use in conjunction with that UNI-DSL; or
- (d) where a UNI-D on an FTTC-NCD is being supplied to a Premises connected to the NBN Co FTTC Network, the supply of a single AVC for use in conjunction with that UNI-D.

**Service Portal** has the meaning given to that term in clause 1A.6.1(b)(ii).

**Service Provider** has the meaning given to that term in section 86 of the Telecommunications Act.

**Service Qualification Enquiry** means an enquiry that is made through the Platform Interfacing Service as to whether a Product Component is available in respect of a Premises.

**Service Standard** means a standard relating to the service quality or service performance of a Service Standards Product provided by NBN Co that specifies service levels or service performance objectives and any:

- (a) rebates payable by NBN Co in respect of any failure by NBN Co to meet such service levels or service performance objectives; and
- (b) corrective action required by NBN Co to remedy any such failure.

**Service Standard Response** has the meaning given to that term in clause 21.2.2(b).

**Service Standards Product** means the following Products:

- (a) the NBN Co Fibre Access Service;
- (b) the NBN Co FTTB Access Service;
- (c) the NBN Co FTTN Access Service;
- (d) the NBN Co FTTC Access Service;
- (e) the NBN Co HFC Access Service;
- (f) the NBN Co Wireless Access Service; and



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(g) the NBN Co Satellite Access Service,

other than:

(h) Test Products;

(i) any Product supplied in response to a natural disaster, emergency, or other similar circumstance;

(j) the Cell Site Access Service;

(k) any Product supplied to a non-addressable location; and

(l) any other Product approved by the ACCC in writing.

Service Standards Proposal comprises the matters set out in clause 5.6.

Service Transfer means an activity in respect of which a charge is imposed on a Gaining Customer for the transfer of an existing Ordered Product in respect of a Premises from an other Losing Customer to the Gaining Customer using the nominated UNI port where the Gaining Customer places a transfer order for a service transfer in accordance with the WBA Operations Manual.

**Set-up & Activation** means the setup of, and the completion of an activation order for, any Product, Product Component or Product Feature.

**Set-up Cross-Connect** means the performance of works by NBN Co Personnel to complete the installation of a Cross-Connect.

**Set-up NBN Co Co-location (Lockable Full Equipment Rack)** means the performance of works by NBN Co Personnel to allocate and set-up one full equipment rack for the purposes of supplying NBN Co Co-location to an Access Seeker.

**Set-up NBN Co Co-location (Lockable Half Equipment Rack)** means the performance of works by NBN Co Personnel to allocate and set-up one half equipment rack for the purposes of supplying NBN Co Co-location to an Access Seeker.

**Set-up NBN Co ODF Termination Point** means the performance of works by NBN Co Personnel to complete the installation of NBN Co ODF Termination Point.

**Shareholder Ministers** means the Communications Minister and the Finance Minister.

Short-term Discount means a Discount with an initial duration, at the time it is first made available, of 6 months or less.

**Site Boundary** means, in respect of an Established POI, the boundary (as determined by NBN Co, including as agreed between NBN Co and the Underlying Facility Provider) which defines those areas of a building within which the relevant POI Site or Aggregation Node Site is located.

Small form factor pluggable NTD or SFP-NTD means an NTD that is used or to be used in respect of the supply of NBN Co Smart Places.

Smart Location means a location that is NBN Serviceable by means of NBN Co Smart Places.

Special Service means any existing service used to support priority assistance, medical alert, alarm, a "Special Service" or "Special Service Input" as defined in the Telstra Migration Plan, or any similar service.

**Special Access Undertaking** or **SAU** means this special access undertaking.

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**Standard Asset Lifetime** means, in respect of an Asset Class, the asset lifetime that applies in respect of the Relevant Assets comprising that Asset Class and that is determined:

- (a) for the purposes of clause 2G.5.5, in a manner consistent with NBN Co's audited accounts; and
- (b) for the purposes of clause 2G.7.1, having regard to the requirements of the Australian Taxation Office in respect of taxation asset lifetimes,

in each case to the extent the ACCC is satisfied this is reasonable.

**Standard Business Offer** has the meaning given to that term in clause ~~1C.2.12-1C.2.15~~.

**Standard Form of Access Agreement** or **SFAA** means a standard form of access agreement published on NBN Co's Website for the purposes of section 152CJA of the CCA.

**Standard Installation** means a Standard NFAS Installation ~~or~~, a Standard NWS Installation, a Standard NBN Co FTTB Access Service Installation, a Standard NBN Co FTTN Access Service Installation, a Standard NBN Co FTTC Service Installation, a Standard NBN Co HFC Access Service Installation or a Standard NSAS Installation (as applicable).

**Standard NBN Co FTTB Access Service Installation** means an Installation in relation to an NBN Co FTTB Access Service connection where:

- (a) the conditions set out in clause 1 of Annexure 3 (Standard NBN Co FTTB Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are satisfied; and
- (b) the installation is not otherwise considered to be a "non standard installation" in accordance with clause 2 of Annexure 3 (Standard NBN Co FTTB Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Standard NBN Co FTTC Access Service Installation** means an Installation in relation to an NBN Co FTTC Access Service connection where:

- (a) the conditions set out in clause 1 of Annexure 6 (Standard NBN Co FTTC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are satisfied;
- (b) the installation is not in respect of a second or subsequent FTTC-NCD;
- (c) the installation is not otherwise considered to be a "non standard installation" in accordance with clause 2 of Annexure 6 (Standard NBN Co FTTC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Standard NBN Co FTTN Access Service Installation** means an Installation in relation to an NBN Co FTTN Access Service connection where:

- (a) the conditions set out in clause 1 of Annexure 4 (Standard NBN Co FTTN Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are satisfied; and
- (b) the installation is not otherwise considered to be a "non standard installation" in accordance with clause 2 of Annexure 4 (Standard NBN Co FTTN Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Standard NBN Co HFC Access Service Installation** means an Installation in relation to an NBN Co HFC Access Service connection where:

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- (a) the conditions set out in clause 1 of Annexure 5 (Standard NBN Co HFC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are satisfied;
- (b) the installation is not in respect of a second or subsequent NTD; and
- (c) the installation is not otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 5 (Standard NBN Co HFC Access Service Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Standard NFAS Installation** means an Installation in relation to an NFAS connection where:

- (a) the conditions set out in clause 1 of Annexure 1 (Standard NFAS Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are satisfied;
- (b) the installation is not in respect of a second or subsequent NTD; and
- (c) the installation is not otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 1 (Standard NFAS Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Standard NSAS Installation** means an Installation in relation to an NSAS connection where:

- (a) the conditions set out in clause 1 of Annexure 7 (Standard NSAS Installation) to Schedule 1C (NBN Offers and Other Charges) or referred to in clause 2B.1.3(c) (as applicable) are satisfied;
- (b) the installation is not in respect of a second or subsequent NTD; and
- (c) the installation is not otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 7 (Standard NSAS Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Standard NNAS Installation** means an Installation in relation to an NNAS connection where:

- (a) the conditions set out in clause 1 of Annexure 2 (Standard NNAS Installation) to Schedule 1C (NBN Offers and Other Charges) ~~are satisfied~~ or referred to in clause 2B.1.3(c) (as applicable) are satisfied;
- (b) the installation is not in respect of a second or subsequent NTD; and
- (c) the installation is not otherwise considered to be a “non standard installation” in accordance with clause 2 of Annexure 2 (Standard NNAS Installation) to Schedule 1C (NBN Offers and Other Charges) or clause 2B.1.3(c) (as applicable).

**Statement of Expectations** means the letter dated 17 December 2010 to NBN Co from the Shareholder Ministers and any subsequent variations.

**Statement of Pricing Intent** has the meaning given to that term in clause 2B.2.2.

~~**Subsequent CVC TC 1/TC 4 Offer** has the meaning given to that term under clause 1C.1.2(a)(i).~~

**Subsequent Installation** means any Installation by NBN Co (or an Installer) which is not an Initial Standard Installation, an Initial Non Standard Installation, a Fibre Upgrade Installation, a Professional Wiring Service in connection with an NBN Co FTTB Access Service or an NBN Co FTTN Access Service or an Access Component Reactivation, and includes an FTTB/FTTN Subsequent Installation and an FTTC Subsequent Installation.:

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~~(a) Standard Installation performed by NBN Co (or an Installer) in respect of a Premises that is not an Initial Standard Installation; or~~

~~(b) Non Standard Installation performed by NBN Co (or an Installer) in respect of a Premises that is not an Initial Non Standard Installation.~~

**Subsequent Regulatory Period** has the meaning given to that term in clause 4.1(c).

~~**Symmetric Access Capacity (TC-1)** means a symmetrical Data Transfer Rate (TC-1) uplink and downlink on an AVC that is included within the Data Transfer Rate (TC-4) acquired by the Access Seeker in respect of the same AVC, provided that the aggregate symmetrical Data Transfer Rate acquired by the Access Seeker does not exceed the TC-4 Data Transfer Rate of the AVC or any other technical requirements of the NBN Co Fibre Network.~~

**Symmetric Access Capacity Offer** means each of the offers described in clause ~~1C.2.4~~1C.2.4.

**Systemic Service Standard Event** means a new event or circumstance:

(a) arising during a Regulatory Cycle that results in a recurring material adverse impact on Access Seekers' access to a Service Standards Product due to a matter for which NBN Co is responsible; and

(b) in respect of which the ACCC considers, acting reasonably, that NBN Co has not taken reasonable steps to address the recurring material adverse impact on Access Seekers.

**Tariff List** has the meaning given to that term in clause 2B.2.3(a).

**Tasmania Tri-Area Service Arrangements** means the arrangements entered into by NBN Co to construct the NBN Co Network and deliver services in Smithton, Scottsdale and Midway Point in Tasmania.

**Tax** means any tax, levy, charge, franchise, impost, duty, fee, rate, deduction, compulsory loan or withholding, which is assessed, levied, imposed or collected by any Government Agency, including the ACT Utilities Tax, but excluding any tax (howsoever described) that relates to income, profit or capital gains.

**Tax Change Event** means:

(a) during the Initial Regulatory Period, a Positive Tax Change Event or a Negative Tax Change Event; and

(b) during the Subsequent Regulatory Period, the occurrence of:

(i) a change in a Relevant Tax, in the application or official interpretation of a Relevant Tax, in the rate of a Relevant Tax, or in the way a Relevant Tax is calculated; or

(ii) the imposition or removal of a Relevant Tax,

that increases or decreases the costs to NBN Co of supplying WAPC Charge Components.

**Tax Change Events Proposal** has the meaning given to that term in clause 1G.2.2.

**TC-4 Offer Group** means a group of Bundled TC-4 Offers or Flat-Rate Offers that are for AVC TC-4s with the same maximum downlink and maximum uplink Data Transfer Rates.

**TC-4 Price Relativity Restriction** means the restriction in clause 2C.2.

**Telecommunications Act** means the *Telecommunications Act 1997* (Cth).

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**Telecommunications Outlet** means the first point in a Premises at which Access Seeker Equipment, Downstream Customer Equipment and End User Equipment can be terminated and connected to:

(a) an Internal Copper Pair; or

(b) an NBN Co Copper Pair or a copper or aluminium Line connected to the Passive NTD (as the case may be),

for the transmission of Carriage Services.

**Telstra Arrangements** means the contracts entered into between Telstra Corporation Limited (ABN 33 051 775 556) and NBN Co Limited on 23 June 2011.

**Telstra Migration Plan** means the Migration Plan given by Telstra Corporation Limited to the ACCC under section 577BDA of the Telecommunications Act in the form as at the Second SAU Variation Date.

**Telstra Special Service** means any existing service used to support a “Special Service” or “Special Service Input” as defined in the Telstra Migration Plan, or any similar service.

**Temporary POI** means a POI that is established temporarily until an Established POI serving the relevant CSA is established and includes POIs temporarily established to serve First Release Trial Sites and new developments.

**Terrorism Event** means an act (including, but not limited to, the use of force or violence or the threat of force or violence) of any person or group of persons (whether acting alone or on behalf of or in connection with any organisation or government), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons (including the intention to influence or intimidate any government and/or put the public, or any section of the public, in fear).

**Test Product** means a product or service supplied by NBN Co under a pilot project or for the express purpose of testing a:

(a) Product;

(b) component or feature of a Product;

(c) process related to a Product; or

(d) other term and condition related to the supply of a Product.

**Third Party** means a person other than NBN Co or any Related Body Corporate of NBN Co.

**Third Party Funded Network Change** means a Network Change, or variation, change, augmentation or enhancement to the design, engineering or construction of the Relevant Assets:

(a) to the extent that one or more persons (other than NBN Co or any Related Body Corporate of NBN Co) have agreed to fund or underwrite (in whole or in part) the Capital Expenditure and, if relevant, the Operating Expenditure, in accordance with a contract, arrangement or understanding between NBN Co or any Related Body Corporate of NBN Co and that person; and

(b) in respect of which, at the time of entering into such a contract, arrangement or understanding, NBN Co is satisfied that there was a zero or positive expected net present value of incremental Operating Expenditure, Capital Expenditure, tax and Revenue over the term of the contract, arrangement or understanding.

~~**Total Actual Capital Expenditure** has the meaning given to that term in clause 2C.7.4(a).~~

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**Total Cost of Ownership** means all costs incurred or likely to be incurred over the economic life of the Relevant Assets calculated on a net present value basis, including Capital Expenditure, Operating Expenditure and costs that arise in connection with any variations, changes, augmentations or enhancements to the Relevant Assets (including expansions of the capacity, functionality and geographic reach of the Relevant Assets).

~~**Total Forecast Capital Expenditure** has the meaning given to that term in clause 2C.7.4(a).~~

**Total Event Pass-Through Amount** means, in respect of a Positive Change Event or Negative Change Event, the change (whether an increase or decrease) in building block model costs (as distinct from total costs) of supplying WAPC Charge Components that, as a result of that Cost Pass-Through Event, NBN Co has incurred and is likely to incur until:

- (a) unless paragraph (b) applies – the end of the Regulatory Cycle in which the Cost Pass-Through Event occurs; or
- (b) if the ACCC Replacement Module Determination for the Regulatory Cycle following that in which the Cost Pass-Through Event occurred does not make any allowance for such change in costs – the end of the Regulatory Cycle immediately following that in which the Cost Pass-Through Event occurred.

**Transfer Reversal** means an activity in respect of which a charge is imposed on a Losing Customer for the transfer of an existing Ordered Product in respect of a Premises from an other Gaining Customer to that Losing Customer using the nominated UNI port in circumstances where:

- (a) a Service Transfer order placed by the other Gaining Customer under that Gaining Customer's Access Agreement is unauthorised, was placed in error or is a result of an irregularity; and
- (b) the Losing Customer places a transfer order flagged as a "Transfer Reversal" in accordance with the WBA Operations Manual.

**Transition Order** means a connect order for the NBN Co FTTB Access Service, NBN Co FTTN Access Service or NBN Co FTTC Access Service that involves transitioning an existing Voiceband Service or Non-Voiceband Service that does not use an Ordered Product as an input.

**Transition Reversal** means a disconnection of the NBN Co FTTB Access Service, NBN Co FTTN Access Service or NBN Co FTTC Access Service and reversal of any installation works undertaken as part of the original Transition Order.

**Transitioning Special Service Line** means a single NBN Co Copper Pair in respect of which all of the following conditions apply:

- (a) an Access Seeker has placed an order for the NBN Co FTTB Access Service or NBN Co FTTN Access Service in respect of that NBN Co Copper Pair;
- (b) when processing the Access Seeker's order for the NBN Co FTTB Access Service or NBN Co FTTN Access Service (as relevant) in respect of that NBN Co Copper Pair, NBN Co had identified that the relevant Ordered Product would be supplied for the purpose of transitioning a Designated Special Service;
- (c) that NBN Co Copper Pair is the first NBN Co Copper Pair being used to supply an Ordered Product supplied for the purpose of transitioning that Designated Special Service; and
- (d) NBN Co has completed the Access Seeker's order, has started supplying a relevant Ordered Product, and that Ordered Product has not been disconnected.

Attachment C (Dictionary)

**Type 1 Facility** means a building that is owned, operated or controlled by NBN Co or any Related Body Corporate of NBN Co, and at which a POI is established.

**Type 2 Facility** means a building, other than a Type 1 Facility, at which a POI is established.

[ULLS means unconditioned local loop service.](#)

**Underlying Facility Provider** means the entity that occupies, owns, operates or controls a Type 2 Facility.

**Unrecovered Cost** is calculated in accordance with [1E.5.1](#); ~~and during the Subsequent Regulatory Period, clause 2C.5.3.~~

**Upgrade** means any upgrade, enhancement, modernisation, reconfiguration, enablement or augmentation of the NBN Co Network, including the removal, rearrangement, replacement or decommissioning of the network elements and associated electronics comprising the NBN Co Network, which will have, or is likely to have, an impact on an Access Seeker, but does not include any:

- (a) relocation, closure or replacement of a POI or the establishment of a new POI (which are addressed in clauses [1H.4](#) [or 2I.4](#));
- (b) routine maintenance or Service Fault rectification activities in relation to:
  - (i) any NBN-Related Network;
  - (ii) any other matter or thing for which NBN Co is responsible and which affects, or can affect, the supply of products by NBN Co to an Access Seeker; or
  - (iii) any facilities, at, on or under which the NBN Co Network is attached, located or installed; or
- [\(c\)](#) rollout or expansion of the NBN Co Network.

[Urban Area means an urban centre with a population equal to or greater than 10,000 people.](#)

**User Network Interface** or **UNI** has the meaning given to that term in clause 1A.3.1.

**User Network Interface-Data** or **UNI-D** means a data port on an NTD [or an FTTC-NCD \(as applicable\).](#)

[User Network Interface-DSL or UNI-DSL means a xDSL port on the Customer Side MDF, Telecommunications Outlet or Passive NTD \(as applicable\).](#)

[User Network Interface-small form factor pluggable or UNI-SFP means a data port on an SFP-NTD.](#)

**User Network Interface-Voice** or **UNI-V** means a port on an NTD that incorporates an analogue telephone adaptor.

**USO** means universal service obligation which has the meaning given in section 9 of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (Cth).

[Virtual Network to Network Interface or V-NNI has the meaning given to that term in clause 1A.3.4\(b\).](#)

[Voiceband Continuity means a physical connection that facilitates the supply of a Voiceband Service by a third party and comprises:](#)

- [\(a\) in the case of the NBN Co FTTB Network, a Voiceband Continuity Cable, a Line between a Combiner and the NBN Co Side MDF and a Jumper Cable; and](#)

## Attachment C (Dictionary)

(b) in the case of the NBN Co FTTN Network, a Voiceband Continuity Cable, a Line between the Combiner and the NBN Co Frame, a Pillar Jumper Cable and an NBN Co Copper Pair.

**Voiceband Continuity Cable** means a Line that is used, or capable of being used, to supply a Carriage Service:

(a) in the case of the NBN Co FTTB Network, from the Pre-existing Carrier Side MDF to the Combiner (via the NBN Co Side MDF); or

(b) in the case of the NBN Co FTTN Network, from the M Pair Frame to the Combiner (via the NBN Co Frame).

**Voiceband Reinstatement** means the installation of Voiceband Continuity following the completion of an AVC order.

**Voiceband Service** means a Carriage Service (including a public switched telecommunications network service) that is supplied by means of the Other Copper Network or NBN Co Copper Network and uses the voiceband spectrum (100Hz to 4kHz) and is not an Ordered Product.

**Voice-Only Bundled Offer** has the meaning given to that term in clause 2B.3.1(b).

**VSAT NTD** means an NTD that is used or to be used in respect of the NBN Co BSS Network, including any mounting equipment in respect of that NTD.

**WACC** means weighted average cost of capital.

**WAPC** means weighted average price control.

**WAPC Charge Component** has the meaning given to that term in clause 2D.2.1.

**WAPC Factor Change Year** means the Financial Year immediately following the Financial Year in which the sum of:

(a) NBN Co's Annual Core Services Forecast Revenue; and

(b) the Forecast Annual RBS Amount,

first exceeds or equals the Forecast Nominal Core Services ABBRR for that Financial Year, as forecast in an ACCC Replacement Module Determination, except that:

(c) if the sum of NBN Co's Core Services Revenue and the Forecast Annual RBS Amount for a Financial Year in the First Regulatory Cycle exceeds or equals (or is forecast in the ACCC Replacement Module Determination for the Second Regulatory Cycle to exceed or equal) the Forecast Nominal Core Services ABBRR for that Financial Year, then the WAPC Factor Change Year will be the first Financial Year of the Second Regulatory Cycle; or

(d) if:

(i) the sum of NBN Co's Core Services Revenue and the Forecast Annual RBS Amount for a Financial Year in a Regulatory Cycle (for the purposes of this definition, the **Given Regulatory Cycle**) exceeds or equals (or is forecast in the ACCC Replacement Module Determination for the next Regulatory Cycle to exceed or equal) the Forecast Nominal Core Services ABBRR for that Financial Year; and

(ii) the ACCC Replacement Module Determination for the Given Regulatory Cycle does not identify a Financial Year in which the sum of NBN Co's Annual Core Services Forecast



## Attachment C (Dictionary)

Revenue and the Forecast Annual RBS Amount first exceeds or equals the Nominal Core Services ABBRR in the applicable Financial Year,

then the WAPC Factor Change Year will be the first Financial Year of the next Regulatory Cycle after the Given Regulatory Cycle.

WAPC Treatment Notice has the meaning given to that term in clause 2D.3.2(a).

WAPC Treatment Proposal has the meaning given to that term in clause 2D.3.1(d).

WBA Operations Manual means the document entitled “WBA Operations Manual” (as amended from time to time in accordance with an Access Agreement) that forms part of an Access Agreement.

Weighted Average Remaining Lifetime means, in respect of an Asset Class, the weighted average remaining lifetime for the Relevant Assets in that Asset Class.

Weighted Average Remaining Taxation Asset Lifetime means, in respect of an Asset Class, the weighted average remaining taxation asset lifetime for the Relevant Assets in that Asset Class.

Withdrawal Objection Notice has the meaning given to that term in clause 2H.6.3(b).

**Zero-Priced** means circumstances in which a Price of \$0.00 applies to, or no charge is otherwise payable for, an NBN Offer or Other Charge.

## 2 Glossary

Acronym	Defined term or meaning
ABBRR	Annual Building Block Revenue Requirement
ACIPA	Annual Construction in Progress Allowance
AVC	Access Virtual Circuit
CCA	Competition and Consumer Act
CSA	Connectivity Serving Area
CVC	Connectivity Virtual Circuit
CIF	Cumulative Inflation Factor
CIP	Construction in Progress
DHCP Option 82	Dynamic Host Configuration Protocol Option 82
<u>DPU</u>	<u>Distribution Point Unit</u>
DSCP	Differentiated Services Code Point
<del>Forecast CIF</del>	<del>Forecast Cumulative Inflation Factor</del>
ICRA	Initial Cost Recovery Account
<del>ISS</del>	<del>Interim Satellite Service</del>
LTRCM	Long Term Revenue Constraint Methodology
<del>MAVC</del> <u>MDF</u>	<del>Multicast AVC</del> <u>Main Distribution Frame</u>
<u>MDU</u>	<u>Multi-dwelling Unit</u>
<u>N/A</u>	<u>Not applicable</u>
NFAS	NBN Co Fibre Access Service
NNI	Network to Network Interface
NSAS	NBN Co Satellite Access Service
<u>NCD</u>	<u>Network Connection Device</u>
NTD	Network Termination Device
NWAS	NBN Co Wireless Access Service

## Attachment C (Dictionary)

Acronym	Defined term <u>or meaning</u>
PDF	Product Development Forum
POI	Point of Interconnect
<del>PPoE</del> <a href="#">PPPoE</a>	Point-to-Point <a href="#">Protocol</a> over Ethernet
RAB	Regulatory Asset Base
<del>RAB Roll Forward</del>	<del>Regulatory Asset Base Roll Forward</del>
<del>RR</del>	<del>Regulated Revenue</del>
SAU	Special Access Undertaking
SIO	Service in Operation
SFAA	Standard Form of Access Agreement
<a href="#">SFP-NTD</a>	<a href="#">Small form factor pluggable NTD</a>
<a href="#">TC-1</a>	<a href="#">Traffic Class 1</a>
<a href="#">TC-2</a>	<a href="#">Traffic Class 2</a>
<a href="#">TC-4</a>	<a href="#">Traffic Class 4</a>
UNI	User Network Interface
UNI-D	User Network Interface-Data
<a href="#">UNI-DSL</a>	<a href="#">User Network Interface-DSL</a>
<a href="#">UNI-SFP</a>	<a href="#">User Network Interface-small form factor pluggable</a>
UNI-V	User Network Interface-Voice
<a href="#">V-NNI</a>	<a href="#">Virtual NNI</a>

### 3 Interpretation

In this Special Access Undertaking:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the singular includes the plural and vice versa;
- (c) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (d) the words 'including', 'particularly', 'such as' and similar expressions are not to be used as words of limitation;
- (e) a reference to:
  - (i) a person includes a natural person, partnership, joint venture, governmental agency or authority, regulator, association, corporation or other body corporate;
  - (ii) a person includes its agents, successors and permitted assigns;
  - (iii) a thing (including a chose in action or other right) includes a part of that thing;
  - (iv) a document includes all amendments, supplements, updates and replacements to that document;
  - (v) a clause, term, party, schedule or annexure is a reference to a clause or term of, or party, schedule or annexure to this Special Access Undertaking;
  - (vi) unless specified otherwise, a reference to a clause in the main body or a schedule is a reference to a clause in the main body or that schedule (as applicable);

Attachment C (Dictionary)

- (vii) this Special Access Undertaking includes all schedules and annexures to it;
- (viii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity, or rule of any stock exchange and is a reference to that law as amended, consolidated or replaced and includes any regulations and other subordinate instruments made under or in accordance with those laws;
- (ix) a monetary amount is in Australian dollars; and
- (x) a tax includes any additional or replacement tax of a similar nature;
- (f) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day; and
- (g) in determining the time of day, where relevant to this Special Access Undertaking, the relevant time of day is:
  - (i) for the purposes of giving or receiving notices, the time of day where a person receiving a notice is located; or
  - (ii) for any other purpose under this Special Access Undertaking, the time of day in the place where the person required to perform an obligation is located.

## Attachment D Initial Products

### 1 Initial Product Components and Product Features

The Initial Products comprise the following Product Components and Product Features [on each of the NBN Co Fibre Network, NBN Co FTTB Network, NBN Co FTTN Network, NBN Co FTTC Network NBN Co HFC Network, NBN Co Wireless Network and NBN Co Permanent Satellite Network shown in the table below:](#)

- (a) ~~all Product Components and Product Features provided over the NBN Interim Satellite Network, including 1000 Base T Network Network Interface, TC-4 CVC, TC-1 CVC; and~~
- (b) ~~the Product Components and Product Features on each of the NBN Co Fibre Network, NBN Co Wireless Network and NBN Co Permanent Satellite Network shown in the table below:~~

Product Component	Product Feature	NBN Co Fibre Network	<a href="#">NBN Co FTTB Network</a>	<a href="#">NBN Co FTTN Network</a>	<a href="#">NBN Co FTTC Network</a>	<a href="#">NBN Co HFC Network</a>	NBN Co Wireless Network	NBN Co Permanent Satellite Network
Network- Network Interface	1000BaseLX	✓	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	✓	✓
	10GBaseLR	✓	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	✓	✓
	<a href="#">100GBaseLR4</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	
	1000BaseEX	✓	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	✓	✓
	10GBaseER	✓	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	✓	✓
	<a href="#">100GBaseER4</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	
	Multi-bearer Link Aggregation Groups for load sharing	✓	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	✓	✓
	Chassis diversity	✓	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	✓	✓
	<a href="#">V-NNI</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>		
	<a href="#">NNI Link</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>		
Connectivity Virtual Circuit	<del>TC-4: up to 50Mbps for wireless or satellite only.</del>						<del>✓</del>	<del>✓</del>
	TC-4: 100, 150, 200, 250, 300, 400, 500, 600, 700, 800, 900, 1,000, <del>1,100, 1,200, 1,300, 1,400, 1,500, 1,600, 1,700, 1,800, 1,900, 2,000</del> Mbps	✓	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	✓	✓
	<a href="#">TC-4: 1,100, 1,200, 1,300, 1,400, 1,500, 1,600, 1,700, 1,800, 1,900, 2,000, 2,100, 2,200, 2,300, 2,400, 2,500, 2,600, 2,700, 2,800, 2,900, 3,000, 3,100, 3,200, 3,300, 3,400, 3,500, 3,600, 3,700, 3,800, 3,900, 4,000, 4,100, 4,200, 4,300, 4,400, 4,500,</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	<a href="#">✓</a>	

Attachment D (Initial Products)

Product Component	Product Feature	NBN Co Fibre Network	<u>NBN Co FTTB Network</u>	<u>NBN Co FTTN Network</u>	<u>NBN Co FTTC Network</u>	<u>NBN Co HFC Network</u>	NBN Co Wireless Network	NBN Co Permanent Satellite Network
	<u>4,600, 4,700, 4,800, 4,900, 5,000, 5,100, 5,200, 5,300, 5,400, 5,500, 5,600, 5,700, 5,800, 5,900, 6,000, 6,100, 6,200, 6,300, 6,400, 6,500, 6,600, 6,700, 6,800, 6,900, 7,000, 7,100, 7,200, 7,300, 7,400, 7,500, 7,600, 7,700, 7,800, 7,900, 8,000, 8,100, 8,200, 8,300, 8,400, 8,500, 8,600, 8,700, 8,800, 8,900, 9,000, 9,100, 9,200, 9,300, 9,400, 9,500, 9,600, 9,700, 9,800, 9,900, 10,000 Mbps</u>							
	<u>TC-4: 125, 175, 225, 275, 325, 350, 375, 425, 450, 475, 525, 550, 575, 625, 650, 675, 725, 750, 775, 825, 850, 875, 925, 950, 975 Mbps</u>							<u>✓</u>
	TC-1: <del>5, 10, 20, 50, 100, 150, 200, 250, 300, 400, 500 Mbps</del>	✓	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	✓	✓
	<u>TC-1: 20, 25, 30, 40, 50, 60, 80, 100, 120, 150, 200, 250, 300, 400, 500 Mbps</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	
	<del>TC-MC (Multicast): 100, 200, 300, 400, 500, 600, 700, 800, 900, 1,000 Mbps</del>	<del>✓</del>						
	TC-2: <u>5, 10, 20, 25, 30, 40, 50, 60, 80, 100, 120, 150, 200, 250, 300, 400, 500, 600, 700, 800, 900, 1,000 Mbps</u>	✓	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<del>✓</del>	<del>✓</del>
	<del>TC-3: 50, 100, 150, 200, 250, 300, 400, 500, 600, 700, 800, 900, 1,000 Mbps</del>	<del>✓</del>					<del>✓</del>	<del>✓</del>
Access Virtual Circuit	TC-4: 12/1, 25/5 Mbps	✓	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	✓	✓
	TC-4: 25/10, 50/20, <del>100/40, 250/100, 500/200 and 1,000/400-Mbps</del>	✓			<u>✓</u>	<u>✓</u>		

Attachment D (Initial Products)

Product Component	Product Feature	NBN Co Fibre Network	<u>NBN Co FTTB Network</u>	<u>NBN Co FTTN Network</u>	<u>NBN Co FTTC Network</u>	<u>NBN Co HFC Network</u>	NBN Co Wireless Network	NBN Co Permanent Satellite Network
	<a href="#">TC-4: Up to 75/10 Mbps</a>						<u>✓</u>	
	<a href="#">TC-4: 25/5-10, 25-50/5-20, 25-100/5-20, 25-100/5-40 Mbps</a>		<u>✓</u>	<u>✓</u>				
	<a href="#">TC-4: 50-100/20, 50-100/20-40 Mbps</a>				<u>✓</u>			
	<a href="#">TC-4: 100/20, 100/40, 250/25, 500-1000<sup>1</sup>/50 Mbps</a>	<u>✓</u>				<u>✓</u>		
	<a href="#">TC-4: 250/100, 500/200, 1,000<sup>2</sup>/400 Mbps</a>	<u>✓</u>						
	<del>TC-1: 60kbps</del>							<del>✓</del>
	TC-1: 0.15Mbps	✓	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	✓	<u>✓</u>
	<a href="#">TC-1: 0.3 Mbps</a>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	
	TC-1: <del>0.3</del> , 0.5, 1, 2, 5 Mbps	✓	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>		
	<del>TC-2: 5 Mbps</del>						<del>✓</del>	
	<del>TC-3: 5 Mbps</del>						<del>✓</del>	
	TC-2: <del>2</del> , 5, 10, <del>20</del> , <del>30</del> , 40 Mbps	✓	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>		
	<a href="#">TC-2: 20 Mbps</a>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>			
	<a href="#">TC-2: 30, 40, 50, 60, 70, 80, 90, 100 Mbps</a>	<u>✓</u>						
	<del>TC-3: 10, 20, 30, 40, 100 Mbps</del>	<del>✓</del>						
	<del>TC-MC: 5, 20, 30, 40, 50, 60 Mbps</del>	<del>✓</del>						
	<del>Enterprise Ethernet: 50-1,000 Mbps-symmetrical pipe-model (but excluding product features, service levels and pricing)</del>	<del>✓</del>						
	Enhanced Service Level guarantee: Business 7am-9pm; 7 days a week, <del>1 hour responses</del> , <u>12, 8, 6 and 4</u> hour restoration (+geographic factor)	✓	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>		
	Additional Enhanced Service Levels: 24/7 fault rectification with	✓	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>		

## Attachment D (Initial Products)

Product Component	Product Feature	NBN Co Fibre Network	<a href="#">NBN Co FTTB Network</a>	<a href="#">NBN Co FTTN Network</a>	<a href="#">NBN Co FTTC Network</a>	<a href="#">NBN Co HFC Network</a>	NBN Co Wireless Network	NBN Co Permanent Satellite Network
	12, 8, 6 and 4 hour restoration <a href="#">(+geographic factor)</a>							
	Tagged and Priority Tagged Framing	✓	<a href="#">✓</a>	<a href="#">✓</a>		<a href="#">✓</a>		
	Customer Edge Virtual Local Area Network transparency	✓						
	Access Diversity	✓						
	Drop priority based on Class of Service markings	✓						
	<del>Advanced OAM features for Enterprise Ethernet Services (but excluding pricing)</del>	<del>✓</del>						
User Network Interface	Data (4 ports)	✓					✓	✓
	<a href="#">Data (1 port)</a>				<a href="#">✓</a>	<a href="#">✓</a>		
	<a href="#">DSL</a>		<a href="#">✓</a>	<a href="#">✓</a>				
	Voice with in-built Analogue Telephony Adaptor (1 or 2 ports)	✓						
	Battery backup capability available on both UNI-V and UNI-D	✓						
	Optional Battery Backup	✓						
	TR-69 configuration for UNI-V	✓						
	IPv6 for DHCP on UNI-D	✓			<a href="#">✓</a>	<a href="#">✓</a>	✓	
	<a href="#">IPv6 for DHCP on UNI-DSL</a>		<a href="#">✓</a>	<a href="#">✓</a>				
Out of band DTMF and RTCP for UNI-V	✓							
Other Service Enhancements	Reporting Phase 1 – SLA Fulfilment and Assurance	✓					✓	✓
	Reporting Phase 2 – Customer Management Reporting, including: <ul style="list-style-type: none"> <li>Service Performance</li> <li>Usage</li> </ul>	✓					✓	✓

Attachment D (Initial Products)

Product Component	Product Feature	NBN Co Fibre Network	<a href="#">NBN Co FTTB Network</a>	<a href="#">NBN Co FTTN Network</a>	<a href="#">NBN Co FTTC Network</a>	<a href="#">NBN Co HFC Network</a>	NBN Co Wireless Network	NBN Co Permanent Satellite Network
	<ul style="list-style-type: none"> <li>• Availability</li> <li>• SLA violations</li> </ul>							

**Notes:**

<sup>1</sup> The Maximum Data Transfer Rate will fall anywhere between 500 Mbps and less than but close to 1000 Mbps.

<sup>2</sup> The Maximum Data Transfer Rate will be less than but close to 1000 Mbps.



Attachment D (Initial Products)

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## 2 Initial Ancillary Services

The Initial Products comprise the following types of Ancillary Services:

- (a) the Platform Interfacing Service; and
- (b) the Sandpit.

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## 3 Initial types of Facilities Access Service

The Initial Products comprise the following types of Facilities Access Services:

- (a) Cross-Connect;
- (b) NBN Co-Location;
- (c) NBN Co ODF Termination Point; and
- (d) NBN Co Building Entry Service.

# Module 1

## Initial Regulatory Period



## Schedule 1A Implementation of NBN Access Service, Ancillary Services and the Facilities Access Service

### 1A.1 General

This Schedule 1A applies for the Initial Regulatory Period.

### 1A.2 Implementation of NBN Access Service

Subject to clause ~~10~~1A.8, NBN Co will implement its obligations under this Special Access Undertaking in connection with the NBN Access Service by the supply of Product Components and Product Features on each NBN Co Network.

### 1A.3 Product Components of NBN Access Service

#### 1A.3.1 User Network Interface

(a) A UNI is ~~a~~the physical interface ~~on the NTD~~to which NBN Co supplies the NBN Access Service in respect of a Premises.

(b) Without limiting clause 1A.3.1(a), in respect of:

- (i) the NBN Co Fibre Network, NBN Co HFC Network, NBN Co Wireless Network and NBN Co Satellite Network, the UNI is a physical port on the NTD;
- (ii) the NBN Co FTTB Network, the UNI is the physical port on which the Jumper Cable terminates on the Customer Side MDF;
- (iii) the NBN Co FTTN Network (where the Premises is located at an MDU Site), the UNI is the physical port on which the Jumper Cable terminates on the Customer Side MDF; and
- (iv) the NBN Co FTTN Network (where the Premises is not located at an MDU Site), the UNI is the physical port on the Telecommunications Outlet or, if present, on the Passive NTD (as applicable);
- (v) the NBN Co FTTC Network, the UNI is the physical port on the FTTC-NCD.

#### 1A.3.2 Access Virtual Circuit

An AVC is an Ethernet-based, Layer 2 virtual connection on an NBN Co Network that carries traffic to and from a UNI ~~on the NTD at the~~used to serve a Premises connected to that NBN Co Network, with the Product Features made available by NBN Co and selected by an Access Seeker, in respect of that ~~NTD~~virtual connection.

#### 1A.3.3 Connectivity Virtual Circuit

A CVC is Ethernet-based, Layer 2 virtual capacity for the transport of Access Seeker traffic from multiple AVCs within a CSA on an aggregated basis and presented at the NNI at the POI associated with that CSA, with the Product Features made available by NBN Co and selected by an Access Seeker, in respect of that virtual capacity.

#### 1A.3.4 Network to Network Interface

The NNI is:

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(a) a physical interface between the NBN Co Network and the Access Seeker's network associated with a POI; or

(b) a virtual interface at a POI where Customer traffic is handed over to the NBN Co Network via an NNI Link (V-NNI).

### 1A.3.5 Composition of AVC and CVC

The AVC and CVC may incorporate some limited Layer 3 awareness, including:

(a) voice telephony services provided using a UNI-V; and

~~(b) multicast services provided over the NBN Co Fibre Network; and~~

~~(c)~~(b) the following optional features on the AVC:

- (i) DSCP for priority encoding;
- (ii) DHCP Option 82 support; and
- (iii) PPoE Intermediate Agent support,

but only to the extent that that Layer 3 awareness is required to support the supply of a Layer 2 service and does not extend to the routing or forwarding of Access Seeker traffic using public Internet Protocol addresses.

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## 1A.4 Terms and conditions relating to supply of Product Components

### 1A.4.1 Availability of Product Components

The supply of the Product Components to an Access Seeker in respect of particular Premises is subject to the following conditions:

- (a) the Premises are NBN Serviceable;
- (b) that Access Seeker's network is connected to the POI associated with the Premises in respect of which supply of the relevant Product Component is sought; and
- (c) all necessary testing of the connectivity between the NBN Co Network and that Access Seeker's network has been successfully completed.

### 1A.4.2 NBN Co may make supply of AVC conditional on acquisition of other Product Components

NBN Co may require that the supply of an AVC to an Access Seeker be on the condition that the Access Seeker also acquire:

- (a) a UNI, CVC and NNI; or
- (b) an AVC of a different traffic class,

in conjunction with the first-mentioned AVC, if, for technical reasons, the first-mentioned AVC could not otherwise be supplied to the Access Seeker.

### 1A.4.3 Maximum Data Transfer Rate

NBN Co may not supply an AVC to an NTD, or to a UNI where no NTD is used to serve the Premises, when the supply of that AVC would result in the Maximum Data Transfer Rate for that NTD or that UNI being exceeded.

### 1A.4.4 Co-existence Period

During the Co-existence Period, the PIR (and the lower end of any PIR range) at the UNI for each AVC TC-4 bandwidth profile will be:

- (a) in respect of the NBN Co FTTB Network and the NBN Co FTTC Network (except the 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink bandwidth profile), a minimum of 25 Mbps PIR (TC-4) downlink and 5 Mbps PIR (TC-4) uplink; and
- (b) in respect of the NBN Co FTTN Network, a minimum of 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink.

### 1A.4.5 Network Activity and Interference Mitigation

If the Line rate at the NBN Co Downstream Network Boundary in respect of a Premises located in the footprint of the NBN Co FTTB Network, NBN Co FTTN Network or NBN Co FTTC Network is not capable of achieving the PIR Objective or CIR Objective (as relevant), then:

- (a) NBN Co may conduct a Network Activity or Interference Mitigation; and
- (b) the downlink Line rate and uplink Line rate at the NBN Co Downstream Network Boundary used to serve the Premises may be significantly less than:
  - (i) the PIR Objective or CIR Objective (as relevant) in respect of the Premises, until the Network Activity or Interference Mitigation is completed;
  - (ii) the PIR Objective in respect of the Premises, if Interference Mitigation is unsuccessful; and
  - (iii) the CIR Objective in respect of the Premises, if:
    - (A) NBN Co has determined that the NBN Co Copper Pair was not capable of achieving the CIR Objective before NBN Co activated the relevant Ordered Product, has notified the Access Seeker, and has not committed to performing a Network Activity; or
    - (B) the Network Activity or Interference Mitigation is unsuccessful in respect of an NBN Co Copper Pair that is not a Transitioning Special Service Line.

### ~~1A.4.4~~ 1A.4.6 UNI availability

NBN Co's supply of an AVC to an Access Seeker in respect of a Premises is conditional on the availability of a UNI for use by that Access Seeker ~~on the NTD at the~~ to serve that Premises.

## 1A.5 Implementation of Ancillary Services

Subject to clause ~~101A.8~~, NBN Co will implement its obligations under this Special Access Undertaking in connection with the Ancillary Services by the supply of the Platform Interfacing Service, the Sandpit and such other Ancillary Services that NBN Co introduces in accordance with Schedule 11 (Product Development and Withdrawal) and such other Ancillary Services introduced by NBN Co that are Licence Condition Products.

## 1A.6 Types of Ancillary Services

### 1A.6.1 Platform Interfacing Service

- (a) Subject to clause ~~101A.8~~, NBN Co will implement the Platform Interfacing Service by the supply of a service which supports the following key business transactions via access to the NBN Co Platform:
- (i) activation transactions, including address enquiries, service qualification enquiries, order feasibility checks, submission of orders, enrichment of orders with further information, modification of orders being processed and tracking of orders being processed, and such other transactions as may be described as activation transactions by NBN Co from time to time;
  - (ii) assurance transactions, including submission of trouble tickets, modification of trouble tickets and tracking of trouble tickets, and such other transactions as may be described as assurance transactions by NBN Co from time to time; and
  - (iii) billing transactions, including notification of billing events and invoices, retrieval of historical billing information, and such other transactions as may be described as billing transactions by NBN Co from time to time,
- (each a **Key Business Transaction**).
- (b) As at the SAU Commencement Date, NBN Co will permit each of the Key Business Transactions to be performed through at least one of the following means:
- (i) B2B access, which enables an Access Seeker and NBN Co to perform Key Business Transactions using their own operations support systems and billing support systems by exchanging encrypted and digitally-signed messages over the Internet between B2B gateways that are hosted by that Access Seeker and NBN Co respectively (**B2B Access**); or
  - (ii) service portal, which enables an Access Seeker and NBN Co to perform Key Business Transactions over the Internet using a web-based portal that is designed, created, hosted, operated and maintained by NBN Co (**Service Portal**).
- (c) In respect of the NBN Co Satellite Network, NBN Co may use an interim satellite portal to process service qualification requests.

### 1A.6.2 Sandpit

Subject to clause ~~101A.8~~, NBN Co will implement the Sandpit by the supply of test and verification facilities that allow an Access Seeker and NBN Co to undertake each of the following activities in relation to the NBN Access Service to be provided over the NBN Co Fibre Network, [NBN Co FTTB Network](#), [NBN Co FTTN Network](#), [NBN Co FTTC Network](#) and [NBN Co HFC Network \(as applicable\)](#):

- (a) the preparation and performance of testing in respect of the relevant Product Components or Product Features;
- (b) the performance of the following activities that are related to the performance of testing in respect of the Platform Interfacing Service, including:
  - (i) business process interoperability activities related to the development of that Access Seeker's B2B gateway;
  - (ii) interoperability functional testing activities;

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- (iii) functional testing related to the development or maintenance of an Access Seeker's operational support systems, which may include the exchange of messages between that Access Seeker's B2B gateway and NBN Co's B2B gateway in relation to:
  - (A) pre-order management, including address queries, service qualification enquiries and order feasibility checks; and
  - (B) order management, including submitting orders and tracking of orders being processed;
- (c) the preparation and performance of testing in respect of any product functionality developed by NBN Co, subject to NBN Co being able to make the functionality available for testing in relation to the NBN Access Service;
- (d) the development of Access Seeker Products that are directly related to the Product Components and Product Features that are or will be acquired by that Access Seeker from NBN Co over the NBN Co Fibre Network, [NBN Co FTTB Network](#), [NBN Co FTTN Network](#), [NBN Co FTTC Network](#), or [NBN Co HFC Network \(as applicable\)](#); and
- (e) the performance of activities that are related or ancillary to the activities described in clauses 1A.6.2(a) to 1A.6.2(d).

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## 1A.7 Facilities Access Service

Subject to clause ~~10~~[1A.8](#), NBN Co will implement the Facilities Access Service by the supply of the following types of facilities access:

- (a) cross-connect, which provides point-to-point connectivity between certain pairs of locations within the relevant POI Site or Aggregation Node Site (**Cross-Connect**);
- (b) NBN Co co-location, which enables an Access Seeker to install, operate and maintain Access Seeker Active Equipment in Rack Space within the relevant Aggregation Node Site (**NBN Co Co-Location**);
- (c) NBN Co ODF termination point, which enables an Access Seeker's lead-in or backhaul transmission cables to be connected by NBN Co to the NBN Co ODF at the relevant POI Site (**NBN Co ODF Termination Point**);
- (d) NBN Co building entry service, which enables an Access Seeker to install, house, operate, test, maintain and remove lead-in or backhaul transmission cables at a POI Site that is located within a Type 1 Facility (**NBN Co Building Entry Service**);
- (e) such other types of facilities access that NBN Co introduces in accordance with Schedule 11 (Product Development and Withdrawal); and
- (f) such other types of facilities access introduced by NBN Co that are Licence Condition Products.

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## ~~1A.8 Service declared by the ACCC~~

- ~~(a) NBN Co acknowledges that this Special Access Undertaking does not affect the ACCC's ability to declare a service under section 152AL(8A) of the CCA (in this clause 1A.8, **ACCC Declared Service**), even if the service falls, to any extent, within the scope of the services that are declared services under section 152AL(8E) of the CCA as a consequence of the operation of this Special Access Undertaking.~~

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~~(b) — For the avoidance of doubt, this Special Access Undertaking does not affect NBN Co's obligations under section 152AXB of the CCA in respect of any ACCC Declared Service, including the obligation to supply that ACCC Declared Service in accordance with the CCA.~~



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## Schedule 1B Term of any SFAA and consultation on changes to any SFAA

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### 1B.1 General

This Schedule 1B applies for the Initial Regulatory Period.

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### 1B.2 Standard Form of Access Agreement

NBN Co will ensure that any SFAA that is published includes an expiry date, to be a date no later than 2 years after the date on which the SFAA commences. For clarity, this does not preclude NBN Co publishing any SFAA which includes the option of the parties to an Access Agreement agreeing to extend the term of that Access Agreement beyond such expiry date.

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### 1B.3 Multilateral Consultation on changes to any SFAA

#### 1B.3.1 Establishment of a Multilateral SFAA Forum

- (a) NBN Co will establish a multilateral consultation forum to engage with Access Seekers and Consumer Advocacy Groups on possible future changes to the terms of any SFAA (**Multilateral SFAA Forum**).
- (b) NBN Co will convene a Multilateral SFAA Forum no later than 12 months prior to the expiry of the term of each SFAA published under the CCA and in accordance with clause 86 of this Special Access Undertaking. This clause does not apply to any SFAA that exists at the SAU Commencement Date and expires within 12 months of the SAU Commencement Date.
- (c) The purpose of the Multilateral SFAA Forum will include identifying and prioritising issues associated with any SFAA and working to develop multilateral resolutions to changes to any SFAA.
- (d) The Multilateral SFAA Forum will allow Access Seekers, Consumer Advocacy Groups and NBN Co to suggest changes to any SFAA.
- (e) The Multilateral SFAA Forum will be available to all Access Seekers irrespective of whether they have an Access Agreement with NBN Co. However, Access Seeker participation in the Multilateral SFAA Forum will be voluntary such that each Access Seeker can engage as they deem appropriate given their level of interest and/or resources.
- (f) Nothing in this clause 1B.3 precludes NBN Co from conducting bilateral consultation with Access Seekers in relation to any SFAA in a manner that is consistent with NBN Co's Non-Discrimination Obligations.

## Schedule 1C NBN Offers and Other Charges

### 1C.1 General

#### 1C.1.1 Scope

This Schedule 1C applies for the Initial Regulatory Period.

#### 1C.1.2 Status of NBN Offers

~~(a) NBN Co will supply each of the NBN Offers which have a Maximum Regulated Price specified in clause 1C.3, as those NBN Offers are specified in clause 1C.2:~~

~~(i) in respect of the NBN Co Fibre Network and the NBN Co Wireless Network, for the duration of the Initial Regulatory Period, except for each of the following NBN Offers (each a **Subsequent CVC TC 1/TC 4 Offer**), which NBN Co will supply from the date that NBN Co first supplies that NBN Offer to the end of the Initial Regulatory Period:~~

~~(A) Connectivity Virtual Circuit Offers (TC 1) with Data Transfer Rates of 50, 100, 150, 200, 250, 300, 400 and 500 Mbps; and~~

~~(B) Connectivity Virtual Circuit Offers (TC 4) with Data Transfer Rates of 600, 700, 800, 900, 1,000, 1,100, 1,200, 1,300, 1,400, 1,500, 1,600, 1,700, 1,800, 1,900 and 2,000 Mbps;~~

~~(ii) in respect of the NBN Co Interim Satellite Network, from the SAU Commencement Date until the date or dates and to the extent that NBN Co declares that services are available for supply on the NBN Co Permanent Satellite Network; and~~

~~(iii) in respect of the NBN Co Permanent Satellite Network, from the date or dates and to the extent that NBN Co declares that services are available for supply on the NBN Co Permanent Satellite Network until the end of the Initial Regulatory Period,~~

~~unless the NBN Offer is withdrawn in accordance with Schedule 11 (Product Development and Withdrawal).~~

~~(b)~~(a) Subject to clause 1A.4, NBN Co will supply:

(i) each of the NBN Offers set out in clause 1C.2 ~~(excluding the NBN Offers which have a Maximum Regulated Price specified in clause 1C.3)~~, as those NBN Offers are specified in clause 1C.2;

(ii) such other NBN Offers that NBN Co introduces in accordance with Schedule 11 (Product Development and Withdrawal); and

(iii) such other NBN Offers introduced by NBN Co ~~that are~~in respect of Initial Products or Licence Condition Products,

from:

(iv) where that NBN Offer has been introduced as at the SAU Commencement Date, the SAU Commencement Date; ~~and~~

(v) where the NBN Offer has not been introduced as at the SAU Commencement Date, but has been introduced as at the Second SAU Variation Date, the Second SAU Variation Date; and

## Schedule 1C (NBN Offers and Other Charges)

~~(v)~~(vi) otherwise, the date that NBN Co first supplies the NBN Offer, and

~~to~~ will only withdraw the NBN Offer in accordance with Schedule 1I (Product Development and Withdrawal).

*Note: Any NBN Offers that have been introduced or varied in accordance with Schedule 1I (Product Development and Withdrawal) before the Second SAU Variation Date, which are not set out in clause 1C.2, are nonetheless subject to this SAU, including with respect to Maximum Regulated Prices and Individual Price Increase Limits.*

~~(c)~~(b) Clauses ~~1C.1.2(a) and 1C.1.2(b)~~1C.1.2(a) does not apply to the withdrawal of an NBN Offer that NBN Co is required by law or a Shareholder Minister to withdraw or which NBN Co is prohibited from providing under section 41(3) of the NBN Companies Act.

### 1C.1.3 Other Charges

(a) Other Charges may only be applied to the supply of NBN Offers in accordance with this Schedule 1C.

(b) NBN Co may withdraw any Other Charge that applies to an NBN Offer.

*Note: Any Other Charges that have been introduced or varied in accordance with this Schedule 1C before the Second SAU Variation Date, which are not set out in Attachment E to Attachment H, are nonetheless subject to this SAU, including with respect to Maximum Regulated Prices and Individual Price Increase Limits.*

### 1C.1.4 Prices to be determined

(a) NBN Co will determine the Prices for NBN Offers and Other Charges that NBN Co supplies or applies during the Initial Regulatory Period, subject to this Schedule 1C and Schedule 1E (Long Term Revenue Constraint Methodology).

~~(a)~~(b) NBN Co will determine the Prices in respect of Competitive Services, and for clarity such Prices will not be subject to this Schedule 1C (other than this clause 1C.1.4(b)) or Schedule 1E (Long Term Revenue Constraint Methodology).

### 1C.1.5 Maximum Regulated Price for NBN Offers and Other Charges

(a) The Price for the supply of an NBN Offer at any point in time during a Financial Year must not be higher than the Maximum Regulated Price applicable to that NBN Offer at that point in time.

(b) The Price of an Other Charge at any point in time during a Financial Year must not be higher than the Maximum Regulated Price applicable to that Other Charge at that point in time.

### 1C.1.6 -Maximum Regulated Price operates as a ceiling

Subject to other provisions in this Special Access Undertaking, NBN Co may supply an NBN Offer or apply an Other Charge at a Price at any point in time that is lower than or equal to the Maximum Regulated Price for the NBN Offer or Other Charge at that point in time.

## 1C.2 NBN Offers

### 1C.2.1 Overview of NBN Offers

The NBN Offers ~~comprise~~ include the following ~~as at the SAU Commencement Date:~~

(a) the Asymmetric AVC Offers;

## Schedule 1C (NBN Offers and Other Charges)

- (b) the Additional Asymmetric AVC Offers;
- (c) the Symmetric Access Capacity Offers;
- (d) the Second UNI-V and AVC Offer;
- (e) the Connectivity Virtual Circuit Offers;
- (f) the Network to Network Interface Offers;
- (g) the Platform Interfacing Offer;
- (h) the Sandpit Offer;

~~(i) the Multicast AVC Offers;~~

~~(j) the Multicast Domain Offers;~~

~~(k) the Multicast Media Stream Offers;~~

~~(l)~~ (i) the NBN Co Co-location Offer;

~~(m)~~ (j) the Facilities Access Service Offer; ~~and~~

~~(n)~~ (k) the Standard Business Offer; ~~and~~

(l) the Enhanced Fault Service Levels Offers.

### 1C.2.2 Asymmetric AVC Offers

~~(a)~~ The **Asymmetric AVC Offers** comprise the following AVC TC-4 as specified in the table below:

(a) an AVC with one of the following Data Transfer Rates:

<u>AVC Data Transfer Rate PIR downlink (TC-4)</u>	<u>AVC Data Transfer Rate PIR uplink (TC-4)</u>	<u>NBN Co Network</u>
<u>12 Mbps</u>	<u>1 Mbps</u>	<u>NBN Co Fibre Network</u> <u>NBN Co FTTB Network</u>
<u>25 Mbps</u>	<u>5 Mbps</u>	<u>NBN Co FTTC Network</u> <u>NBN Co HFC Network</u> <u>NBN Co Wireless Network</u> <u>NBN Co Satellite Network</u>
<u>25 Mbps</u>	<u>5 – 10 Mbps</u>	<u>NBN Co FTTB Network</u> <u>NBN Co FTTC Network</u>
<u>25 – 50 Mbps</u>	<u>5 – 20 Mbps</u>	
<u>25 – 100 Mbps</u>	<u>5 – 20 Mbps</u>	
<u>25 – 100 Mbps</u>	<u>5 – 40 Mbps</u>	<u>NBN Co Fibre Network</u> <u>NBN Co FTTC Network</u> <u>NBN Co HFC Network</u>
<u>25 Mbps</u>	<u>10 Mbps</u>	
<u>50 Mbps</u>	<u>20 Mbps</u>	<u>NBN Co Wireless Network</u>
<u>Up to 75 Mbps<sup>1</sup></u>	<u>Up to 10 Mbps<sup>1</sup></u>	
<u>50 – 100 Mbps</u>	<u>20 Mbps</u>	
<u>50 – 100 Mbps</u>	<u>20 – 40 Mbps</u>	<u>NBN Co FTTC Network</u>
<u>Fixed Wireless Home Fast</u>		<u>NBN Co Wireless Network</u>

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<u>AVC Data Transfer Rate PIR downlink (TC-4)</u>	<u>AVC Data Transfer Rate PIR uplink (TC-4)</u>	<u>NBN Co Network</u>
<u>100 Mbps</u>	<u>20 Mbps</u>	<u>NBN Co Fibre Network</u> <u>NBN Co HFC Network</u>
<u>100 Mbps</u>	<u>40 Mbps</u>	
<u>250 Mbps</u>	<u>25 Mbps</u>	
<u>500 – 1000 Mbps<sup>2</sup></u>	<u>50 Mbps</u>	
<u>Fixed Wireless Superfast</u>		<u>NBN Co Wireless Network</u>
<u>250 Mbps</u>	<u>100 Mbps</u>	<u>NBN Co Fibre Network</u>
<u>500 Mbps</u>	<u>200 Mbps</u>	
<u>1000 Mbps<sup>3</sup></u>	<u>400 Mbps</u>	

**Notes:**

<sup>1</sup> This Data Transfer Rate is a potential maximum information rate and not a PIR.

<sup>2</sup> The Maximum Data Transfer Rate will fall anywhere between 500 Mbps and less than but close to 1000 Mbps.

<sup>3</sup> The Maximum Data Transfer Rate will be less than but close to 1000 Mbps.

- ~~(i) in respect of the NBN Co Interim Satellite Network, 6 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink;~~
- ~~(ii) in respect of each NBN Co Network (except the NBN Co Interim Satellite Network):~~
  - ~~(A) 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink;~~
  - ~~(B) 25 Mbps PIR (TC-4) downlink and 5 Mbps PIR (TC-4) uplink;~~
- ~~(iii) in respect of the NBN Co Fibre Network~~
  - ~~(A) 25 Mbps PIR (TC-4) downlink and 10 Mbps PIR (TC-4) uplink;~~
  - ~~(B) 50 Mbps PIR (TC-4) downlink and 20 Mbps PIR (TC-4) uplink;~~
  - ~~(C) 100 Mbps PIR (TC-4) downlink and 40 Mbps PIR (TC-4) uplink;~~
  - ~~(D) 250 Mbps PIR (TC-4) downlink and 100 Mbps PIR (TC-4) uplink;~~
  - ~~(E) 500 Mbps PIR (TC-4) downlink and 200 Mbps PIR (TC-4) uplink; and~~
  - ~~(F) 1,000 Mbps PIR (TC-4) downlink and 400 Mbps PIR (TC-4) uplink;~~

(b) Each Asymmetric AVC Offer includes:

- (i) access to, and use of, one available UNI-D or UNI-DSL (as applicable) used to serve the Premises connected to the NBN Co Network at the Premises, for use in conjunction with the AVC described in clause 1C.2.2(a);
- (ii) for the NBN Co Fibre Network, an option to access and use one available UNI-V used to serve the Premises connected to the NBN Co Network, for use in the supply of voice telephony services to the Premises; and
- (iii) an AVC with a 0.15 Mbps CIR (TC-1) symmetrical Data Transfer Rate to support voice telephony services, which will be provided:
  - (A) as part of the AVC described in clause 1C.2.2(a), included within the Data Transfer Rate for that AVC, and mapped to the UNI-D or UNI-DSL used in conjunction with that AVC, including where the option in clause 1C.2.2(b)(ii) to access a UNI-V is not exercised; and

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(B) in the case of the NBN Co Fibre Network, where the option in clause 1C.2.2(b)(ii) is exercised, through an AVC mapped to an accessed UNI-V that is separate, and in addition, to the AVC described in clause 1C.2.2(a).

- ~~(b) access to, and use of, one available UNI-D on the NTD connected to the NBN Co Network at the Premises (in this clause 1C.2.2, the **Accessed NTD**), for use in conjunction with the AVC described in clause 1C.2.2(a);~~
- ~~(c) in respect of the NBN Co Fibre Network, the option to access and use one available UNI-V on the Accessed NTD in respect of the supply of voice telephony services to the Premises; and~~
- ~~(d) in respect of:~~
- ~~(i) the NBN Co Fibre Network, an AVC with a 0.15 Mbps CIR (TC-1) symmetrical Data Transfer Rate to support voice telephony services on:~~
- ~~(A) if the option in clause 1C.2.2(d) is exercised, the UNI-V on the Accessed NTD, in which case the 0.15 Mbps CIR (TC-1) symmetrical Data Transfer Rate will be provided through an AVC mapped to that UNI-V and is separate, and in addition, to the AVC described in clause 1C.2.2(a); or~~
- ~~(B) if the option in clause 1C.2.2(d) is not exercised, the UNI-D on the Accessed NTD, in which case the 0.15 Mbps CIR (TC-1) symmetrical Data Transfer Rate will be provided as part of the AVC described in clause 1C.2.2(a) and included within the Data Transfer Rate for that AVC;~~
- ~~(ii) the NBN Co Wireless Network, an AVC with a 0.15 Mbps CIR (TC-1) symmetrical Data Transfer Rate to support voice telephony services on the UNI-D on the Accessed NTD, which will be provided as part of the AVC described in clause 1C.2.2(a) and included within the Data Transfer Rate for that AVC; or~~
- ~~(iii) the NBN Co Interim Satellite Network, an AVC with a 60 kbps CIR (TC-1) symmetrical Data Transfer Rate to support voice telephony services on the UNI-D on the Accessed NTD, which will be provided as part of the AVC described in clause 1C.2.2(a) and included within the Data Transfer Rate for that AVC,~~
- ~~(each an **Asymmetric AVC Offer**).~~

### 1C.2.3 Additional Asymmetric AVC Offers

The Additional Asymmetric AVC Offers comprise an AVC with one of the following Data Transfer Rates:

- (a) 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink;
- (b) 25 Mbps PIR (TC-4) downlink and 5 Mbps PIR (TC-4) uplink;
- (c) 25 Mbps PIR (TC-4) downlink and 10 Mbps PIR (TC-4) uplink;
- (d) 50 Mbps PIR (TC-4) downlink and 20 Mbps PIR (TC-4) uplink;
- (e) 100 Mbps PIR (TC-4) downlink and 40 Mbps PIR (TC-4) uplink;
- (f) 250 Mbps PIR (TC-4) downlink and 100 Mbps PIR (TC-4) uplink;
- (g) 500 Mbps PIR (TC-4) downlink and 200 Mbps PIR (TC-4) uplink; and
- (h) 1,000 Mbps PIR (TC-4) downlink and 400 Mbps PIR (TC-4) uplink,

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provided to an existing UNI-D on the NTD connected to the NBN Co Fibre Network at the Premises and used by the Access Seeker in conjunction with another AVC mapped to the same UNI-D (each an **Additional Asymmetric AVC Offer**).

### 1C.2.4 Symmetric Access Capacity Offers

The Symmetric Access Capacity Offers ~~in respect of the NBN Co Fibre Network (except where stated otherwise)~~ comprise the following symmetrical Data Transfer Rates on an AVC that are included within the Data Transfer Rates (TC-4) acquired by the Access Seeker in respect of the same AVC:

(a) in respect of the Symmetric Access Capacity Offers (TC-1):

AVC Symmetrical Data Transfer Rates CIR (TC-1) (Mbps)	Traffic-Class (CIR) NBN Co Network
0.15 <a href="#">Mbps</a> *	<del>TC-1</del> <a href="#">NBN Co Fibre Network</a> <a href="#">NBN Co FTTB Network</a> <a href="#">NBN Co FTTN Network</a> <a href="#">NBN Co FTTC Network</a> <a href="#">NBN Co HFC Network</a> <a href="#">NBN Co Wireless Network</a> <a href="#">NBN Co Satellite Network</a>
0.3 <a href="#">Mbps</a>	<del>TC-1</del> <a href="#">NBN Co Fibre Network</a> <a href="#">NBN Co FTTB Network</a> <a href="#">NBN Co FTTN Network</a> <a href="#">NBN Co FTTC Network</a> <a href="#">NBN Co HFC Network</a> <a href="#">NBN Co Wireless Network</a>
0.5 <a href="#">Mbps</a>	<del>TC-1</del> <a href="#">NBN Co Fibre Network</a> <a href="#">NBN Co FTTB Network</a> <a href="#">NBN Co FTTN Network</a> <a href="#">NBN Co FTTC Network</a> <a href="#">NBN Co HFC Network</a>  <del>TC-1</del>  <del>TC-1</del>  <del>TC-1</del>
1 <a href="#">Mbps</a>	
2 <a href="#">Mbps</a>	
5 <a href="#">Mbps</a>	

\* Available on the NBN Fibre Access Network and the NBN Co Wireless Network.

(b) in respect of the Symmetric Access Capacity Offers (TC-2):

AVC Symmetrical Data Transfer Rates (Mbps) CIR (TC-2)	Traffic-Class (CIR) NBN Co Network
5 <a href="#">Mbps</a>	<del>TC-2</del> <a href="#">NBN Co Fibre Network</a> <a href="#">NBN Co FTTB Network</a> <a href="#">NBN Co FTTN Network</a> <a href="#">NBN Co FTTC Network</a> <a href="#">NBN Co HFC Network</a>  <del>TC-2</del>
10 <a href="#">Mbps</a>	
20 <a href="#">Mbps</a>	<del>TC-2</del> <a href="#">NBN Co Fibre Network</a> <a href="#">NBN Co FTTB Network</a> <a href="#">NBN Co FTTN Network</a> <a href="#">NBN Co FTTC Network</a>
30 <a href="#">Mbps</a>	<del>TC-2</del> <a href="#">NBN Co Fibre Network</a>  <del>TC-2</del>
40 <a href="#">Mbps</a>	

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<u>AVC Symmetrical Data Transfer Rates (Mbps) CIR (TC-2)</u>	<u>Traffic-Class (CIR) NBN Co Network</u>
<a href="#">50 Mbps</a>	
<a href="#">60 Mbps</a>	
<a href="#">70 Mbps</a>	
<a href="#">80 Mbps</a>	
<a href="#">90 Mbps</a>	
<a href="#">100 Mbps</a>	

~~(c)~~ in respect of the **Symmetric Access Capacity Offers (TC-3)**:

<u>Symmetrical Data Transfer Rate (Mbps)</u>	<u>Traffic-Class (CIR)</u>
<del>10</del>	<del>TC-3</del>
<del>20</del>	<del>TC-3</del>
<del>40</del>	<del>TC-3</del>
<del>100</del>	<del>TC-3</del>

provided that the aggregate symmetrical Data Transfer Rate acquired by the Access Seeker does not exceed the TC-4 Data Transfer Rate of the AVC or any other technical requirements of the NBN Co Fibre Network, [NBN Co Wireless Network](#), [NBN Co Satellite Network](#), [NBN Co FTTB Network](#), [NBN Co FTTN Network](#), [NBN Co FTTC Network](#) and [NBN Co HFC Network as applicable](#) (each a **Symmetric Access Capacity Offer**).

### 1C.2.5 Second UNI-V and AVC Offer

The Second UNI-V and AVC Offer in respect of the NBN Co Fibre Network comprises the following:

- access to, and use of, one available UNI-V on the NTD connected to the NBN Co Fibre Network at the Premises (in this clause 1C.2.5, the **Accessed NTD**), for use in conjunction with the AVC described in clause 1C.2.5(b); and
- an AVC with a 0.15 Mbps CIR (TC-1) symmetrical Data Transfer Rate to support voice telephony services, provided on the UNI-V on the Accessed NTD,

subject to the Access Seeker acquiring access to, and use of, one other available UNI-V on the Accessed NTD.

### 1C.2.6 Connectivity Virtual Circuit Offers

- The **Connectivity Virtual Circuit Offers** comprise CVCs with the following Data Transfer Rates:
  - in respect of the Connectivity Virtual Circuit Offers (TC-1):

<u>CVC symmetrical Data Transfer Rates CIR (TC-1)<sup>1</sup> (Mbps)</u>	<u>NBN Co Network Traffic-Class</u>
<a href="#">5 Mbps</a>	<del>TC-1 (CIR)</del> <a href="#">NBN Co Fibre Network</a> <a href="#">NBN Co FTTB Network</a> <a href="#">NBN Co FTTN Network</a> <a href="#">NBN Co FTTC Network</a> <a href="#">NBN Co HFC Network</a> <a href="#">NBN Co Wireless Network</a> <a href="#">NBN Co Satellite Network<sup>2</sup></a>
<a href="#">10 Mbps</a>	<del>TC-1 (CIR)</del>



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<u>CVC symmetrical Data Transfer Rates CIR (TC-1)<sup>1</sup></u> (Mbps)	<u>NBN Co Network Traffic Class</u>
20 Mbps	<del>TC-1 (CIR)</del> <a href="#">NBN Co Fibre Network</a>
25 Mbps	<a href="#">NBN Co FTTB Network</a>
30 Mbps – 50 Mbps in 10 Mbps increments	<a href="#">NBN Co FTTN Network</a>
<del>100</del> 60 Mbps – 120 Mbps in 20 Mbps increments	<a href="#">NBN Co FTTC Network</a>
150 Mbps – 250 Mbps in 50 Mbps increments	<a href="#">NBN Co HFC Network</a>
300 Mbps – 500 Mbps in 100 Mbps increments	<a href="#">NBN Co Wireless Network</a>
	TC-1 (CIR)
	TC-1 (CIR)
	TC-1 (CIR)
	TC-1 (CIR)
200	TC-1 (CIR)
250	TC-1 (CIR)
400	TC-1 (CIR)
500	TC-1 (CIR)

**Notes:**

- 1 For clarity, each offer in respect of an increment of 10 Mbps, 20 Mbps, 50 Mbps and 100 Mbps specified in this table, as supplied by means of a specified NBN Co Network, is a separate NBN Offer.
- 2 For the Connectivity Virtual Circuit Offers (TC-1) in respect of the NBN Co Satellite Network, see the conditions in clause 1C.2.6(b).

(ii) in respect of the Connectivity Virtual Circuit Offers (TC-2):

<u>CVC symmetrical Data Transfer Rates CIR (TC-2)</u> (Mbps)	<u>Traffic-Class NBN Co Network</u>
5 Mbps	<a href="#">NBN Co Fibre Network</a>
10 Mbps	<a href="#">NBN Co FTTB Network</a>
20 Mbps	<a href="#">NBN Co FTTN Network</a>
25 Mbps	<a href="#">NBN Co FTTC Network</a>
30 Mbps – 50 Mbps in 10 Mbps increments	<a href="#">NBN Co HFC Network</a>
<del>100</del> 60 Mbps – 120 Mbps in 20 Mbps increments	TC-2 (CIR)
150 Mbps – 250 Mbps in 50 Mbps increments	TC-2 (CIR)
300 Mbps – 1,000 Mbps in 100 Mbps increments	TC-2 (CIR)
200	TC-2 (CIR)
250	TC-2 (CIR)
300	TC-2 (CIR)
400	TC-2 (CIR)
500	TC-2 (CIR)
600	TC-2 (CIR)
700	TC-2 (CIR)
800	TC-2 (CIR)
900	TC-2 (CIR)

**Note:** For clarity, each offer in respect of an increment of 10 Mbps, 20 Mbps, 50 Mbps and 100 Mbps specified in this table, as supplied by means of a specified NBN Co Network, is a separate NBN Offer.

~~(b)~~ in respect of the Connectivity Virtual Circuit Offers (TC-3):

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Data-Transfer-Rate (Mbps)	Traffic-Class
50	TC-3 (CIR)
100	TC-3 (CIR)
150	TC-3 (CIR)
200	TC-3 (CIR)
250	TC-3 (CIR)
300	TC-3 (CIR)
400	TC-3 (CIR)
500	TC-3 (CIR)
600	TC-3 (CIR)
700	TC-3 (CIR)
800	TC-3 (CIR)
900	TC-3 (CIR)
1,000	TC-3 (CIR)

(†)(iii) in respect of the Connectivity Virtual Circuit Offers (TC-4) for NBN Co Networks other than the NBN Co Satellite Network:

Data-Transfer-Rate (Mbps)	Traffic-Class
20	TC-4 (CIR)*
50	TC-4 (CIR)*
100	TC-4 (CIR)
150	TC-4 (CIR)
200	TC-4 (CIR)
250	TC-4 (CIR)
300	TC-4 (CIR)
400	TC-4 (CIR)
500	TC-4 (CIR)
600	TC-4 (CIR)
700	TC-4 (CIR)
800	TC-4 (CIR)
900	TC-4 (CIR)
1,000	TC-4 (CIR)
1,100	TC-4 (CIR)
1,200	TC-4 (CIR)
1,300	TC-4 (CIR)
1,400	TC-4 (CIR)
1,500	TC-4 (CIR)
1,600	TC-4 (CIR)
1,700	TC-4 (CIR)
1,800	TC-4 (CIR)
1,900	TC-4 (CIR)
2,000	TC-4 (CIR)
<u>CVC symmetrical Data Transfer Rates CIR (TC-4)</u>	<u>NBN Co Network</u>
<u>100 Mbps – 300 Mbps in increments of 50 Mbps</u>	<u>NBN Co Fibre Network</u>
<u>300 Mbps – 10,000 Mbps in increments of 100 Mbps</u>	<u>NBN Co FTTB Network</u> <u>NBN Co FTTN Network</u>

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<u>Data Transfer Rate (Mbps)</u>	<u>Traffic Class</u>
	<a href="#">NBN Co FTTC Network</a> <a href="#">NBN Co HFC Network</a> <a href="#">NBN Co Wireless Network</a>

**Note:** For clarity, each offer in respect of an increment of 50 Mbps or 100 Mbps specified in this table, as supplied by means of a specified NBN Co Network, is a separate NBN Offer.

(iv) in respect of the Connectivity Virtual Circuit Offers (TC-4) for the NBN Co Satellite Network:

<u>CVC symmetrical Data Transfer Rates CIR (TC-4)</u>	<u>NBN Co Network</u>
<a href="#">100 Mbps – 1,000 Mbps in increments of 25 Mbps</a>	<a href="#">NBN Co Satellite Network</a>

**Note:** For clarity, each offer in respect of an increment of 25 Mbps specified in this table is a separate NBN Offer. These NBN Offers are subject to the conditions in clause 1C.2.6(c).

\* TC 4 (CIR) for these CVC Data Transfer Rates are applicable in respect of the NBN Co Wireless Network and the NBN Co Satellite Networks only.

(c)(b) ~~(each a Connectivity Virtual Circuit Offer)~~. The Connectivity Virtual Circuit Offers (TC-1) in respect of the NBN Co Satellite Network are available subject to the condition they are associated at all times with at least the following number of AVCs:

<u>CVC symmetrical Data Transfer Rates CIR (TC-1)</u>	<u>Minimum number of associated AVCs</u>
<a href="#">5 Mbps</a>	<a href="#">0</a>
<a href="#">10 Mbps</a>	<a href="#">333</a>

(c) The Connectivity Virtual Circuit Offers (TC-4) in respect of the NBN Co Satellite Network are available subject to the conditions that:

(i) an Access Seeker may require the supply of a Connectivity Virtual Circuit Offer (TC-4) only if, in conjunction with it, the Access Seeker acquires one of the following CVC Class Offers:

<u>CVC Class</u>
<a href="#">CVC Class 0</a>
<a href="#">CVC Class 1</a>
<a href="#">CVC Class 2</a>

(ii) an Access Seeker may require the supply of a second or further Connectivity Virtual Circuit Offer (TC-4) in conjunction with a given CVC Class Offer only if each existing Connectivity Virtual Circuit Offer (TC-4) acquired in conjunction with such a CVC Class Offer is associated with at least 1,600 AVCs; and

(iii) an Access Seeker must at all times associate at least the following number of AVCs with each Connectivity Virtual Circuit Offer (TC-4), based on the associated CVC Class Offer:

<u>Relevant CVC Class Offer</u>	<u>Minimum number of associated AVCs based on relevant Connectivity Virtual Circuit Offer (TC-4)</u>		
	<u>CVC symmetrical Data Transfer Rates CIR (TC-4) of 100 Mbps</u>	<u>CVC symmetrical Data Transfer Rates CIR (TC-4) of 125 Mbps</u>	<u>CVC symmetrical Data Transfer Rates CIR (TC-4) of 150 Mbps – 1,000 Mbps</u>
<a href="#">0</a>	<a href="#">0 AVCs</a>	<a href="#">202 AVCs</a>	<a href="#">71 additional AVCs per 25 Mbps CVC increment above 125 Mbps</a>

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Relevant CVC Class Offer	Minimum number of associated AVCs based on relevant Connectivity Virtual Circuit Offer (TC-4)		
	CVC symmetrical Data Transfer Rates CIR (TC-4) of 100 Mbps	CVC symmetrical Data Transfer Rates CIR (TC-4) of 125 Mbps	CVC symmetrical Data Transfer Rates CIR (TC-4) of 150 Mbps – 1,000 Mbps
<u>1</u>	<u>0 AVCs</u>	<u>166 AVCs</u>	<u>65 additional AVCs per 25 Mbps CVC increment above 125 Mbps</u>
<u>2</u>	<u>0 AVCs</u>	<u>151 AVCs</u>	<u>58 additional AVCs per 25 Mbps CVC increment above 125 Mbps</u>

### 1C.2.7 Network to Network Interface Offers

(a) Subject to clause 1C.2.7(b), the Network to Network Interface Offers comprise:

(i) NNIs with the following NNI interface capacities in respect of each NBN Co Network:

NNI Bearer Profiles	Interface capacity (Gbps)
1000BaseLX	1
<del>1000BaseT*</del>	<del>1*</del>
10GBaseLR	10
<u>100GBaseLR4</u>	<u>100</u>
1000BaseEX	1
10GBaseER	10
<u>100GBaseER4</u>	<u>100</u>

~~\* This NNI Bearer Profile and interface capacity is applicable in respect of the NBN Co Interim Satellite Network only.~~

(ii) the V-NNI; and

(iii) the NNI Link,

(each a **Network to Network Interface Offer**).

(b) The following Network to Network Interface Offers are not made available in respect of the NBN Co Satellite Network:

(i) 100GBaseLR4;

(ii) 100GBaseER4;

(iii) V-NNI; and

~~(iv) NNI Link.~~

### 1C.2.8 Platform Interfacing Offer

The Platform Interfacing Offer comprises the Platform Interfacing Service.

### 1C.2.9 Sandpit Offer

The Sandpit Offer comprises the Sandpit.

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**1C.2.10 — Multicast AVC Offers**

The Multicast AVC Offers in respect of the NBN Co Fibre Network comprise Multicast AVCs with one of the following Data Transfer Rates:

Downstream-Mbps (CIR)	Upstream-Mbps (CIR)
5	0
20	0
30	0
40	0
50	0

(each a Multicast AVC Offer).

**1C.2.11 — Multicast Domain Offers**

The Multicast Domain Offers in respect of the NBN Co Fibre Network comprise the Multicast Domain with one of the following Data Transfer Rates provided to an existing UNI-D on the NTD connected to the NBN Co Network at the Premises and used by the Access Seeker in conjunction with the Multicast AVC mapped to the same UNI-D:

Downstream-Mbps (CIR)
100
200
300
400
500
600
700
800
900
1,000

(each a Multicast Domain Offer).

**1C.2.12 — Multicast Media Stream Offers**

The Multicast Media Stream Offers in respect of the NBN Co Fibre Network comprise configured Media Streams within a Multicast Domain as follows:

Media Streams per Multicast Domain
0–200
>200

(each a Multicast Media Stream Offer).

**1C.2.13** **1C.2.10** **NBN Co Co-location Offer**

The NBN Co Co-location Offer comprises NBN Co Co-location.

**1C.2.14** **1C.2.11** **Facilities Access Service Offer**

The Facilities Access Service Offer comprises the following types of Facilities Access Service in respect of an Established POI:

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Type of Facilities Access Service
Cross-Connect
NBN Co ODF Termination Point
NBN Co Building Entry Service

**1C.2.15** **1C.2.12** **Standard Business Offer**

The Standard Business Offer [in respect of the NBN Co Fibre Network](#) comprises:

- (a) an Asymmetric AVC Offer with the following Data Transfer Rates:
  - (i) 25 Mbps PIR (TC-4) downlink; and
  - (ii) 10 Mbps PIR (TC-4) uplink; and
- (b) a Symmetric Access Capacity Offer with a symmetrical Data Transfer Rate of 0.5 Mbps CIR (TC-1).

**1C.2.13** **Enhanced Fault Service Levels Offers**

The Enhanced Fault Service Levels Offers in respect of the NBN Co Fibre Network, NBN Co FTTB Network, NBN Co FTTN Network, NBN Co FTTC Network and NBN Co HFC Network comprise:

Type of Enhanced Fault Service Levels
<a href="#">Enhanced-12 Fault Service Levels</a>
<a href="#">Enhanced-12 (24/7) Fault Service Levels</a>
<a href="#">Enhanced-8 Fault Service Levels</a>
<a href="#">Enhanced-8 (24/7) Fault Service Levels</a>
<a href="#">Enhanced-6 Fault Service Levels</a>
<a href="#">Enhanced-6 (24/7) Fault Service Levels</a>
<a href="#">Enhanced-4 Fault Service Levels</a>
<a href="#">Enhanced-4 (24/7) Fault Service Levels</a>

(each an [Enhanced Fault Service Levels Offer](#)).

**1C.3** **CVC credit and TC-1 rebate** ~~**Maximum Regulated Price for certain NBN Offers**~~

Subject to clauses ~~1C.5~~ and ~~1G.2~~, the ~~Maximum Regulated Price~~ for each NBN Offer described in this clause ~~1C.3~~:

- ~~(a) if the NBN Offer is not a Subsequent CVC TC 1/TC 4 Offer, in respect of the period between the SAU Commencement Date and 30 June 2017; and~~
- ~~(b) if the NBN Offer is a Subsequent CVC TC 1/TC 4 Offer,~~
  - ~~(i) if it is introduced no later than 30 June 2017, from the date on which it is introduced to 30 June 2017; and~~
  - ~~(ii) if it is introduced after 30 June 2017, for the first Financial Year in which it is introduced,~~

~~is as follows:~~

- ~~(c) for an Asymmetric AVC Offer that includes:~~

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- (i) ~~an AVC with a Data Transfer Rate of 6 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink: \$24.00, per SIO, per month;~~
- (ii) ~~an AVC with a Data Transfer Rate of 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink: \$24.00, per SIO, per month; and~~
- (iii) ~~an AVC with a Data Transfer Rate of 25 Mbps PIR (TC-4) downlink and 5 Mbps PIR (TC-4) uplink: \$27.00, per SIO, per month;~~
- (d) ~~for each Connectivity Virtual Circuit Offer (TC-1): \$20.00 per Mbps, per month;~~
- (e) ~~for each Connectivity Virtual Circuit Offer (TC-4): \$20.00 per Mbps, per month;~~
- (f) ~~for each Network to Network Interface Offer:~~

<del>NNI Bearer Profiles</del>	<del>Monthly Recurring Charge, per NNI<sup>±</sup></del>
<del>1000BaseLX</del>	<del>\$200</del>
<del>1000BaseT</del>	<del>\$200</del>
<del>10GbaseLR</del>	<del>\$400</del>
<del>1000BaseEX</del>	<del>\$500</del>
<del>10GbaseER</del>	<del>\$1,000</del>

~~\* There is also a one-off establishment charge as set out in clause 1C.4.2(c).~~

- (g) ~~for the Platform Interfacing Offer: \$0;~~
- (h) ~~for the Sandpit Offer on each NBN Co Network: \$0;~~
- (i) ~~for the Facilities Access Service Offer:~~

<del>Type of Facilities Access Service</del>	<del>Monthly Recurring Charge, per month<sup>±</sup></del>
<del>Cross-Connect</del>	<del>\$0</del>
<del>NBN Co ODF Termination Point</del>	<del>\$0</del>
<del>NBN Co Building Entry Service</del>	<del>\$190 per month, per fibre cable</del>

~~\* There is also a one-off establishment charge as set out in clause 1C.4.2(h).~~

- (j) ~~for the Standard Business Offer: \$53.00, per SIO, per month.~~

## ~~1C.4 Maximum Regulated Prices on introduction~~

### ~~1C.4.1 NBN Offers~~

~~Subject to clauses 1C.5 and 1G.2, the Maximum Regulated Price of each NBN Offer set out in clause 1C.2 (excluding the NBN Offers which have a Maximum Regulated Price specified in clause 1C.3):~~

- (a) ~~where that NBN Offer has been introduced as at the SAU Commencement Date, for the First Financial Year; and~~

- (b) ~~otherwise, for the Financial Year in which the NBN Offer is introduced,~~

~~will be as follows:~~

- (c) ~~for the Asymmetric AVC Offers:~~

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Downlink (Mbps)	Uplink (Mbps)	Monthly Recurring Charge, per-SIO
25	10	\$30.00
50	20	\$34.00
100	40	\$38.00
250	100	\$70.00
500	200	\$100.00
1,000	400	\$150.00

(d) for the Additional Asymmetric AVC Offers:

Downlink (Mbps)	Uplink (Mbps)	Monthly Recurring Charge, per-SIO
12	1	\$16.50
25	5	\$19.50
25	10	\$22.50
50	20	\$26.50
100	40	\$30.50
250	100	\$62.50
500	200	\$92.50
1,000	400	\$142.50

(e) for the Symmetric Access Capacity Offers, comprising:

(i) the Symmetric Access Capacity Offers (TC-1):

TC (GIR)	Symmetrical Data Transfer Rate (Mbps)	Monthly Recurring Charge, per-SIO
TC-1	0.15	\$10.00
TC-1	0.3	\$20.00
TC-1	0.5	\$33.00
TC-1	1	\$66.00
TC-1	2	\$132.00
TC-1	5	\$330.00

(ii) the Symmetric Access Capacity Offers (TC-2):

TC (GIR)	Symmetrical Data Transfer Rate (Mbps)	Monthly Recurring Charge, per-SIO
TC-2	5	\$32.00
TC-2	10	\$64.00
TC-2	20	\$128.00
TC-2	30	\$192.00
TC-2	40	\$256.00

(iii) the Symmetric Access Capacity Offers (TC-3):



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TC (CIR)	Symmetrical Data Transfer Rate (Mbps)	Monthly Recurring Charge, per SIO
TC-3	10	\$48.00
TC-3	20	\$96.00
TC-3	40	\$192.00
TC-3	100	\$480.00

(f) for the Second UNI-V and AVC Offer, \$17.50 per SIO, per month;

(g) for the Connectivity Virtual Circuit Offers, comprising:

(i) the Connectivity Virtual Circuit Offers (TC-2):

Data Transfer Rate (Mbps)	Monthly Recurring Charge Traffic Class 2 (CIR)
50	\$1,000
100	\$2,000
150	\$3,000
200	\$4,000
250	\$5,000
300	\$6,000
400	\$8,000
500	\$10,000
600	\$12,000
700	\$14,000
800	\$16,000
900	\$18,000
1,000	\$20,000

(ii) the Connectivity Virtual Circuit Offers (TC-3):

Data Transfer Rate (Mbps)	Monthly Recurring Charge Traffic Class 3 (CIR)
50	\$1,000
100	\$2,000
150	\$3,000
200	\$4,000
250	\$5,000
300	\$6,000
400	\$8,000
500	\$10,000
600	\$12,000
700	\$14,000
800	\$16,000
900	\$18,000
1,000	\$20,000

(h) for the Multicast AVC Offers:

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Mbps, per SIO	Monthly-Recurring-Charge, per SIO
5	\$2.00
20	\$5.00
30	\$10.00
40	\$15.00
50	\$20.00

(i) ~~for the Multicast Domain Offers: \$2.50 per Mbps, per month.~~

(j) ~~for the Multicast Media Stream Offers:~~

Media-Streams-per Multicast-Domain	Media-Streams-per-Multicast Domain-Monthly-Recurring Charge
0-200	\$0.00
>200	\$50.00 per Media Stream in excess of 200 Media-Streams

(k) ~~for the NBN Co Co-location Offer:~~

Type-of-NBN-Co-Co-location-Offer	Monthly-Recurring-Charge, per-month <sup>2</sup>
Lockable full height equipment rack	\$2,000
Lockable half height equipment rack	\$1,200

\* There is also a one-off establishment charge as set out in clause 1C.4.2(h).

#### ~~1C.4.2 Other Charges~~

~~Subject to clauses 1C.5 and 1G.2, the Maximum Regulated Price of each Other Charge in the First Financial Year is as follows:~~

(a) ~~for installations and activations on the NBN Co Fibre Network, NBN Co Wireless Network or NBN Co Satellite Network:~~

Activity	Charge-per-activity
Initial Standard Installation	\$0
Initial Non Standard Installation	Hourly Labour Rate plus cost of materials
Subsequent Installation	Hourly Labour Rate charged for a minimum amount equivalent to 3.67 hours, plus cost of materials
Access Component Reactivation	\$0
MAVC Reactivation	\$0
CVC Set-up & Activation	\$0
Multicast Domain Set-up & Activation	\$0
NNI 1000BaseLX Set-up & Activation	\$1,000
NNI 1000BaseT Set-up & Activation	\$1,000
NNI 10GBaseLR Set-up & Activation	\$5,000
NNI 1000BaseEX Set-up & Activation	\$7,000
NNI 10GBaseER Set-up & Activation	\$35,000
Service Qualification Enquiry	\$0

## Schedule 1C (NBN Offers and Other Charges)

~~(b) — for service modifications on the NBN Co Fibre Network, NBN Co Wireless Network or NBN Co Satellite Network:~~

Activity	Charge
Access Component Modification (no attendance at Premises required)	\$0
CVC Modification	\$0
Multicast Domain Modification	\$0
NNI Modification	\$0
Equipment Modification (attendance at Premises required)	Hourly Labour Rate plus cost of materials
Equipment Removal	Hourly Labour Rate plus cost of materials
Equipment Repair	Hourly Labour Rate plus cost of materials

~~(c) — for service management on the NBN Co Fibre Network, NBN Co Wireless Network or NBN Co Satellite Network:~~

Activity	Charge
On Site Maintenance Call Out	\$0
No Fault Found (No Truck Roll Required)	\$50
No Fault Found (Truck Roll Required)	Hourly Labour Rate charged for a minimum of 2 hours plus each hour thereafter
Late Cancellation (Site Visit Required)	\$0
Missed Appointment	\$0

~~(d) — for the Facilities Access Service:~~

Activity	Charge
Set-up NBN Co Co-location (Lockable Full Height Equipment Rack)	\$1,500 per lockable full height equipment rack
Set-up NBN Co Co-location (Lockable Half Height Equipment Rack)	\$900 per lockable half height equipment rack
Set-up Cross-Connect	\$0 per interface
Set-up NBN Co ODF Termination Point	\$0 per interface
Supply of First Access Card	\$0
Additional / Replacement Access Card (excluding the First Access Card)	\$100 per access card
Missed Appointment (During Business Hours)	\$300 per missed appointment
Missed Appointment (Outside Business Hours)	\$450 per missed appointment

~~(e) — for Enhanced 12 Fault Service Levels, \$15 per AVC, per month.~~

### ~~1C.4.3~~ **1C.3.1 CVC credit and pricing intent**

- (a) From the SAU Commencement Date until the earlier of the end of the Initial Regulatory Period or such time as the number of Premises that are NBN Serviceable in a CSA exceeds 30,000 (excluding Premises served by means of the NBN Co Satellite Network), NBN Co will credit each Access Seeker, in respect of that CSA, with an amount equal to the greater of:
- (i) the charges that would otherwise apply to the supply of a 50 kbps CVC (TC-4) in respect of every Asymmetric AVC Offer supplied to that Access Seeker in that CSA as at the start of the relevant billing period; and

## Schedule 1C (NBN Offers and Other Charges)

- (ii) the charges that would otherwise apply to the amount of the CVC (TC-4) capacity supplied to that Access Seeker in that CSA during that billing period up to a maximum of 150 Mbps of CVC (TC-4) capacity.
- (b) After such time as the number of Premises that are NBN Serviceable in the CSA exceeds 30,000 (excluding Premises served by means of the NBN Co Satellite Network), and until the end of the Initial Regulatory Period, NBN Co will credit each Access Seeker in respect of each CSA, with an amount equal to the charges that would otherwise apply to the supply of a 50 kbps CVC (TC-4) in respect of every Asymmetric AVC Offer supplied to that Access Seeker in that CSA as at the start of the relevant billing period.
- (c) In respect of the credit amount that applies to all of the CVCs for a CSA which are provided by NBN Co to an Access Seeker pursuant to clauses [1C.3.1\(a\)](#)~~1C.4.3(a)~~ or [1C.3.1\(b\)](#)~~1C.4.3(b)~~, the credit amount will be capped at, and will not exceed, the total recurring charges that apply in respect of all CVCs for that CSA which are provided by NBN Co to that Access Seeker.
- (d) Once clause [1C.3.1\(a\)](#)~~1C.4.3(a)~~ ceases to apply in respect of all CSAs, NBN Co will annually review the Price of each Connectivity Virtual Circuit Offer (TC-4) with a view to reducing the Price as aggregate demand for that NBN Offer increases. In its review, NBN Co will consider the level of aggregate demand for CVC (TC-4) capacity and the information in the most recently published NBN Co Corporate Plan.

#### ~~1C.4.4~~[1C.3.2](#) **Rebate of recurring charge for a Symmetric Access Capacity Offer (TC-1) 0.15 Mbps, per SIO, per month**

- (a) Subject to clause [1C.3.2\(b\)](#)~~1C.4.4(b)~~, if, in respect of the same SIO, an Access Seeker acquires:
  - (i) a Symmetric Access Capacity Offer (TC-1) ([for clarity, excluding any CIR \(TC-1\) symmetrical Data Transfer Rate included in any other NBN Offer](#)); and
  - (ii) an Asymmetric AVC Offer,

NBN Co will provide the Access Seeker with a rebate equivalent to the ~~actual Price of the~~ recurring charge for a Symmetric Access Capacity Offer (TC-1) 0.15 Mbps, per SIO, per month [if charged to the Access Seeker](#).

- (b) Clause [1C.3.2\(a\)](#)~~1C.4.4(a)~~ does not apply to the acquisition of the Standard Business Offer.

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### ~~1C.5~~[1C.4](#) **Price limit for Maximum Regulated Prices over time**

#### ~~1C.5.1~~[1C.4.1](#) **Maximum Regulated Prices for NBN Offers and Other Charges**

Subject to clause 1G.2, at any point in time during a Financial Year (in this clause [1C.4.1](#)~~1C.5.1~~, **Relevant Financial Year**) the Maximum Regulated Price of an NBN Offer or Other Charge is:

~~(a) if a Price Review Arrangement applies to the NBN Offer or Other Charge in the Relevant Financial Year, determined in accordance with that Price Review Arrangement; or~~

~~(b)~~[\(a\)](#) if:

~~(i) paragraph (a) does not apply;~~

~~(ii)~~[\(i\)](#) the NBN Offer or Other Charge ceased to be Zero-Priced in the Relevant Financial Year in accordance with clause [1C.4.4](#)~~1C.5.4~~ or ceased to be Zero-Priced in a prior Financial Year in accordance with clause [1C.4.4](#)~~1C.5.4~~;

## Schedule 1C (NBN Offers and Other Charges)

~~(iii)~~(ii) the ACCC has made a Resetting Regulatory Determination within the Relevant Financial Year in respect of the NBN Offer or Other Charge; and

~~(iv)~~(iii) that Resetting Regulatory Determination is the most recent Resetting Regulatory Determination in respect of the NBN Offer or Other Charge as at that point in time,

the maximum price specified in that Resetting Regulatory Determination (which may be a maximum price of \$0.00); or

~~(e)~~(b) if:

- (i) ~~neither paragraph (a) nor~~ paragraph (a)(b) does not apply; and
- (ii) the NBN Offer or Other Charge ceased to be Zero-Priced in the Relevant Financial Year in accordance with clause ~~1C.4.4~~1C.5.4,

the Price for that NBN Offer or Other Charge specified by NBN Co in the notice provided by NBN Co under clause ~~1C.4.4(b)(i)~~1C.5.4(b)(i); or

~~(d)~~(c) if:

- (i) ~~neither one of~~ paragraphs ~~(a), (a)(b) or (b)(c)~~ apply;
- (ii) ~~the NBN Offer is not set out in clause 1C.2 or the Other Charge is not specified in clause 1C.4.2, and~~ the NBN Offer or the Other Charge has been introduced in the Relevant Financial Year or a prior Financial Year;
- (iii) the ACCC has made a Resetting Regulatory Determination within the Relevant Financial Year in respect of the NBN Offer or Other Charge ~~for the purposes of which the ACCC has taken into account (except where the Resetting Regulatory Determination is a Binding Rule of Conduct and the ACCC considers, having regard to the urgent need to make the Binding Rule of Conduct, that it is not practicable to do so); and~~ and
  - ~~(A) — the characteristics of other NBN Offers and activities associated with other Other Charges;~~
  - ~~(B) — the costs associated with other NBN Offers and Other Charges;~~
  - ~~(C) — the impact of the Resetting Regulatory Determination on the Revenue associated with other NBN Offers and Other Charges; and~~
  - ~~(D) — the impact of the Resetting Regulatory Determination on the demand for other NBN Offers and activities associated with other Other Charges; and~~
- (iv) that Resetting Regulatory Determination is the most recent Resetting Regulatory Determination in respect of the NBN Offer or Other Charge ~~that meets the conditions in clause 1C.5.1(d)(iii)~~ as at that point in time,

the maximum price specified in that Resetting Regulatory Determination (which may be a maximum price of \$0.00); or

~~(e)~~(d) if:

- (i) none of paragraphs ~~(a), (a)(b), (b)(c) or (c)(d)~~ apply; and
- (ii) the NBN Offer ~~is not set out in clause 1C.2 or the Other Charge is not specified in clause 1C.4.2~~ does not have a Price set out in any of Attachment E to Attachment H, and the NBN Offer or the Other Charge has been introduced in the Relevant Financial Year,

## Schedule 1C (NBN Offers and Other Charges)

the initial Price for that NBN Offer or Other Charge introduced by NBN Co; or

(e) if:

(i) none of paragraphs (a), (b), (c) or (d) apply; and

(ii) the NBN Offer or Other Charge has a Price set out in any of Attachment E to Attachment H, the Price for that NBN Offer or Other Charge as set out in Attachment E to Attachment H; or

~~(f)~~ if:

~~(i)~~ none of paragraphs (a), (b), (c), (d) or (e) apply;

~~(ii)~~ the relevant NBN Offer was introduced as at the SAU Commencement Date or was introduced no later than 30 June 2017, and has a Maximum Regulated Price specified in clause 1C.3; and

~~(iii)~~ the Relevant Financial Year is not later than 30 June 2017,

~~if the last day of the immediately preceding Financial Year is after the SAU Commencement Date and the Maximum Regulated Price for that NBN Offer applying at the last day of the immediately preceding Financial Year is different from the Maximum Regulated Price set out in clause 1C.3 for that NBN Offer, the Maximum Regulated Price for that NBN Offer applying at the last day of the immediately preceding Financial Year, or otherwise, the Maximum Regulated Price set out in clause 1C.3 for that NBN Offer; or~~

~~(g)~~ if:

~~(i)~~ none of paragraphs (a), (b), (c), (d), (e) or (f) apply;

~~(ii)~~ the relevant NBN Offer is a Subsequent CVC TC 1/TC 4 Offer and has a Maximum Regulated Price specified in clause 1C.3;

~~(iii)~~ that NBN Offer was introduced after 30 June 2017; and

~~(iv)~~ the Relevant Financial Year is the Financial Year in which the NBN Offer is introduced, the Maximum Regulated Price set out in clause 1C.3 for that NBN Offer; or

~~(h)~~ if:

~~(i)~~ none of paragraphs (a), (b), (c), (d), (e), (f) or (g) apply; and

~~(ii)~~ the relevant NBN Offer or Other Charge has a Maximum Regulated Price specified in clause 1C.4 and the Relevant Financial Year is the Financial Year for which the Maximum Regulated Price set out in clause 1C.4 applies to that NBN Offer or Other Charge,

~~the Maximum Regulated Price set out in clause 1C.4 for that NBN Offer or Other Charge (as the case may be); or~~

~~(i)~~ (f) if none of the above paragraphs apply, the greater of:

(i) the sum of its Previous Year's Price and its Individual Price Increase Limit for the Relevant Financial Year; and

(ii) the Price on the last day of the immediately preceding Financial Year.

## Schedule 1C (NBN Offers and Other Charges)

~~1C.5.2~~ **1C.4.2 Individual Price Increase Limit for NBN Offers and Other Charges**

(a) The Individual Price Increase Limit of an NBN Offer or Other Charge for Financial Year (*t*) is the greater of:

(i) \$0; and

(ii)  $Price_{t-1} * [(1 + CPI_{t-1}^{March}) * (1 - 1.5\%) - 1]$ ,

where:

(iii)  $Price_{t-1}$  is the average Price for the NBN Offer or Other Charge over the immediately preceding Financial Year, calculated as the arithmetic average Price at which the NBN Offer was supplied on the last day of each month of that Financial Year or the arithmetic average of the Price of the Other Charge imposed on the last day of each month of that Financial Year (whichever is relevant) (in this clause ~~1C.4.1~~ **1C.5, Previous Year's Price**), disregarding any months occurring prior to the SAU Commencement Date and the introduction of the NBN Offer or Other Charge. If the ACCC made one or more Resetting Regulatory Determinations as referred to in clauses ~~1C.4.1(a)(ii)~~ **1C.5.1(b)(iii)** or ~~1C.4.1(c)(iii)~~ **1C.5.1(d)(iii)** in the immediately preceding Financial Year and the last such Resetting Regulatory Determination took effect part way through that Financial Year, the Prices for the NBN Offer or the Other Charge on the last day of each month prior to the last such Resetting Regulatory Determination taking effect are to be excluded from the determination of  $Price_{t-1}$ ;

(iv)  $CPI_{t-1}^{March}$  is the March Quarter CPI published in the Financial Year immediately preceding the Financial Year to which the Individual Price Increase Limit relates.

(b) The Individual Price Increase Limit is rounded to the nearest whole cent.

(c) For clarity, the Individual Price Increase Limit will always be a positive or zero value.

~~1C.5.3~~ **1C.4.3 Discounts, Hourly Labour Rates and Maximum Regulated Prices for NBN Offers and Other Charges**

(a) For the avoidance of doubt, for the purpose of determining NBN Co's compliance with the Maximum Regulated Price applicable to an NBN Offer or Other Charge, the removal, reduction or cessation of any Discount applicable to that NBN Offer or Other Charge in accordance with its terms specified at the time of initial introduction of the Discount will not constitute a breach of the Maximum Regulated Price applicable to that NBN Offer or Other Charge.

(b) The following applies to any Other Charge that is provided on a "hourly labour rate" or "hourly labour rate plus cost of materials basis":

(i) an hourly labour rate may only be changed by indexing it to the ABS Labour Price Index for Private Sector Construction or by periodically resetting it with reference to the relevant rates charged to NBN Co by its contractors; and

(ii) materials will be charged at cost.

~~1C.5.4~~ **1C.4.4 Treatment of Zero-Priced NBN Offers and Other Charges associated with the supply of NBN Offers**

(a) If an NBN Offer or Other Charge is Zero-Priced, then that NBN Offer or Other Charge will remain Zero-Priced, unless the NBN Offer or Other Charge ceases to be Zero-Priced in accordance with clauses ~~1C.4.4(b)~~ **1C.5.4(b)** and ~~1C.4.4(c)~~ **1C.5.4(c)**.

## Schedule 1C (NBN Offers and Other Charges)

- (b) NBN Co may propose that an NBN Offer or Other Charge cease to be Zero-Priced by:
- (i) providing no less than 6 months' notice to Access Seekers and the ACCC of its intention that the NBN Offer or Other Charge cease to be Zero-Priced, which notice must include the reasons why NBN Co considers the NBN Offer or Other Charge should cease to be Zero-Priced and specify NBN Co's proposed Price for the NBN Offer or Other Charge and the expiry date of the notice; and
  - (ii) consulting with Access Seekers in relation to the proposal.
- (c) Unless NBN Co issues a notice to Access Seekers and the ACCC withdrawing its proposal under clause ~~1C.4.4(b)~~~~1C.5.4(b)~~, upon the expiry of the period of notice given by NBN Co under clause ~~1C.4.4(b)~~~~1C.5.4(b)~~, the NBN Offer or Other Charge specified in the notice will cease to be Zero-Priced and, subject to clause ~~1C.4.1~~~~1C.5.1~~, the proposed Price specified in the notice will become the Maximum Regulated Price for the NBN Offer or Other Charge from the expiry date of the notice period.

~~1C.5.5~~1C.4.5 **Non-circumvention**

For the purpose of ensuring that the Maximum Regulated Price is not subject to circumvention through the arbitrary reduction, removal or cessation of a Discount that may apply to the Price of an NBN Offer or Other Charge, any reduction, removal or cessation of a Discount applicable to an NBN Offer or Other Charge may only occur in accordance with the terms for the reduction, removal or cessation of that Discount specified at the time of initial introduction.

~~1C.5.6~~1C.4.6 **Treatment of Bundles**

If:

- (a) an NBN Offer comprises a bundle of one or more Products, Product Components, Product Features, Ancillary Services or types of Facilities Access Service (in this clause ~~1C.4.6~~~~1C.5.6~~, together a **Bundle**); and
- (b) NBN Co offers that Bundle for a single Price,

then that Bundle will be subject to the Maximum Regulated Price as though it were an individual item.



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## Annexure 1 Standard NFAS Installation

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### 1 Standard NFAS Installation

An installation will be considered to be a **Standard NFAS Installation** in respect of a Premises where each of the following conditions is satisfied:

- (a) all Connecting Equipment in respect of that Premises is able to be installed during an Appointment in Standard Hours and activated during Standard Hours;
- (b) the installation requires no more than one Drop Fibre, NTD, Connecting Fibre and PCD to be installed for the Premises;
- (c) NBN Co (or the Installer):
  - (i) has been provided with necessary rights of access to the Premises, as required under an Access Agreement;
  - (ii) is given access to the Common Property, if required by NBN Co; and
  - (iii) is given access to the Premises, if required,at the time during the Appointment to perform and complete the installation of the Connecting Equipment at that Premises (including any necessary inspection or related works); and
- (d) in respect of the Connecting Equipment:
  - (i) a PCD:
    - (A) is not required;
    - (B) is already installed and able to service the Premises; or
    - (C) is able to be installed on the exterior of the Building at which the Premises is located;
- (e) the Drop Fibre:
  - (i) is not required;
  - (ii) is already installed and able to service the Premises; or
  - (iii) is:
    - (A) only required from the NAP to the PCD which serves the Premises; and
    - (B) able to be installed at the Premises:
      - (I) through an existing lead-in conduit;
      - (II) through a new lead-in conduit; or
      - (III) aurally; and
    - (C) no more than 60 metres in length, measured by reference to the cable run distance between:
      - (I) the property boundary point that is nearest to the location of both the PCD and NAP; and

## Schedule 1C: Annexure 1 (Standard NFAS Installation)

- (II) the location of that PCD,  
or such longer length as may be reasonably determined by NBN Co in the circumstances;
- (iv) the NTD and, if requested by an Access Seeker or otherwise supplied by NBN Co, any associated battery back-up unit are able to be attached on the interior side of a wall of the Premises, at a location agreed between the End User and NBN Co (or the Installer), and:
  - (A) that location has a 240 volt power source available for the supply of electricity to the NTD; and
  - (B) that power source is located within approximately 3 metres of the location of the NTD; and
- (v) the Connecting Fibre is no more than 40 metres in length, measured by reference to the cable run distance between the PCD and the location of the NTD, or such longer length as may be reasonably determined by NBN Co in the circumstances.

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## 2 Non Standard NFAS Installation

Notwithstanding anything in clause 1 of this Annexure 1 to Schedule 1C, an installation will be considered to be a **Non Standard NFAS Installation** in respect of a Premises if NBN Co (or the Installer) determines, acting reasonably, that the installation of Connecting Equipment at the Premises does not properly constitute a “standard installation”, having regard to the following:

- (a) generally accepted industry practices and any applicable industry guidelines, policies, laws, regulations or directions;
- (b) the level of complexity and difficulty associated with the installation;
- (c) the uniqueness of the circumstances associated with the installation; and
- (d) the presence of obstacles, dangers or other safety concerns during the time of installation.

---

## 3 Acknowledgements

### 3.1 Safety standards and procedures

NBN Co will conduct all installations in accordance with safety standards or procedures that apply from time to time.

### 3.2 Requirement for Connecting Equipment

NBN Co will determine when a separate Drop Fibre, Connecting Fibre or PCD is not required or is already installed and able to service the Premises.

---

## 4 Definitions

For the purpose of this Annexure 1 to Schedule 1C:

**Appointment** means the appointment period requested by an Access Seeker, and agreed to by NBN Co, in which NBN Co (or the Installer) will perform the installation and activation of Connecting Equipment at a Premises in connection with the supply of a Product Component or Product Feature, including:

- (a) any initial appointment for the installation of the Connecting Equipment at the Premises; and

Schedule 1C: Annexure 1 (Standard NFAS Installation)

- (b) any subsequent appointment required to perform or complete the installation of the Connecting Equipment at the Premises.

**Building** means a permanent structure, equipment or a building in respect of which an NTD is able to be installed.

**Connecting Equipment** means any or all (as the context requires) of:

- (a) a Drop Fibre;
- (b) a PCD;
- (c) a Connecting Fibre;
- (d) an NTD (and any installation and provision of an associated battery back-up unit and First Battery); and
- (e) any ancillary equipment, facilities, lines or network owned or controlled by, or operated by or on behalf of NBN Co between, and including, the NAP and the NTD.

**Standard Hours** means a period between 9:00 am and 5:00 pm, Monday to Friday, excluding public holidays in the state or territory in which the Premises is located.

---

## Annexure 2 Standard NWAS Installation

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### 1 Standard NWAS Installation

An installation will be considered to be a **Standard NWAS Installation** in respect of a Premises where each of the following conditions is satisfied:

- (a) all Connecting Equipment in respect of that Premises is able to be installed during an Appointment in Standard Hours and activated during Standard Hours;
- (b) the installation requires no more than one NTD (which includes an indoor component and an outdoor component) to be installed at the Premises;
- (c) NBN Co (or the Installer):
  - (i) has been provided with necessary rights of access to the Premises, as required under an Access Agreement;
  - (ii) is given access to the Common Property, if required by NBN Co; and
  - (iii) is given access to the Premises, if required,at the time during the Appointment to perform and complete the installation of the Connecting Equipment at that Premises (including any necessary inspection or related works); and
- (d) in respect of the Connecting Equipment:
  - (i) the outdoor component of the NTD:
    - (A) is not required;
    - (B) is already installed and able to service the Premises; or
    - (C) is able to be installed in a location that is:
      - (I) no more than 30 metres in length, measured by reference to the cable run distance between the proposed location of the indoor component of the NTD and the proposed location of that outdoor component; or
      - (II) such longer length as may be reasonably determined by NBN Co in the circumstances; and
    - (D) the indoor component of the NTD is able to be attached on the interior side of a wall of the Premises, at a location agreed between the End User and NBN Co (or the Installer), and:
      - (I) that location has a 240 volt power source available for the supply of electricity to the NTD; and
      - (II) that power source is located within approximately 3 metres of the location of the indoor component of the NTD.

---

### 2 Non Standard NWAS Installation

Notwithstanding anything in clause 1 of this Annexure 2 to Schedule 1C, an installation will be considered to be a **Non Standard NWAS Installation** in respect of a Premises if NBN Co (or the Installer)

## Schedule 1C: Annexure 2 (Standard NWA Installation)

determines, acting reasonably, that the installation of Connecting Equipment at the Premises does not properly constitute a “standard installation”, having regard to the following:

- (a) generally accepted industry practices and any applicable industry guidelines, policies, laws, regulations or directions;
- (b) the level of complexity and difficulty associated with the installation;
- (c) the uniqueness of the circumstances associated with the installation; and
- (d) the presence of obstacles, dangers or other safety concerns during the time of installation.

---

## 3 Acknowledgements

### 3.1 Safety standards and procedures

It is acknowledged that NBN Co will conduct all installations in accordance with safety standards or procedures that apply from time to time.

### 3.2 Requirement for Connecting Equipment

NBN Co will determine when a separate Connecting Cable or outdoor component of an NTD is not required or is already installed and able to service the Premises.

---

## 4 Definitions

For the purposes of this Annexure 2 to Schedule 1C:

**Appointment** means the appointment period requested by an Access Seeker, and agreed to by NBN Co, in which NBN Co (or the Installer) will perform the installation and activation of Connecting Equipment at a Premises in connection with the supply of a Product Component or Product Feature, including:

- (a) any initial appointment for the installation of the Connecting Equipment at the Premises; and
- (b) any subsequent appointment required to perform or complete the installation of the Connecting Equipment at the Premises.

**Building** means a permanent structure, equipment or a building in respect of which an NTD is able to be installed.

**Connecting Cable** means the Line which connects from the outdoor unit of an NTD to the indoor unit of that NTD.

**Connecting Equipment** means any or all (as the context requires) of:

- (a) an outdoor NTD component;
- (b) a Connecting Cable;
- (c) an indoor NTD component; and
- (d) any ancillary equipment, facilities, lines or network owned or controlled by, or operated by or on behalf of NBN Co between and including the indoor component of the NTD and the outdoor component of the NTD.

**Standard Hours** means a period between 9:00 am and 5:00 pm, Monday to Friday, excluding public holidays in the state or territory in which the Premises is located.

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## **Annexure 3 Standard NBN Co FTTB Access Service Installation**

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### **1 Standard NBN Co FTTB Access Service Installation**

An installation will be considered to be a **Standard NBN Co FTTB Access Service Installation** in respect of a Premises where each of the following conditions is satisfied:

- (a) all Connecting Equipment in respect of that Premises is able to be installed during an Appointment in Standard Hours and activated during Standard Hours;
- (b) the installation in respect of that Premises:
  - (i) where relevant, includes the installation of a Jumper Cable only;
  - (ii) does not require NBN Co to provide any infrastructure beyond the Customer Side MDF; and
  - (iii) does not include any trenching in order to provide services to that Premises; and
- (c) NBN Co (or the Installer):
  - (i) has been provided with necessary rights of access to the Premises, as required under an Access Agreement;
  - (ii) is given access to the MDF;
  - (iii) is given access to the Common Property, if required by NBN Co; and
  - (iv) is given access to the Premises, if required,

at the time during the Appointment to perform and complete the installation of the Connecting Equipment for that Premises (including any necessary inspection or related works).

---

### **2 Non Standard NBN Co FTTB Access Service Installation**

Notwithstanding anything in clause 1 of this Annexure 3 to Schedule 1C, an installation will be considered to be a **Non Standard NBN Co FTTB Access Service Installation** in respect of a Premises if NBN Co (or the Installer) determines, acting reasonably, that the installation of Connecting Equipment in respect of the Premises does not properly constitute a “standard installation”, having regard to the following:

- (a) generally accepted industry practices and any applicable industry guidelines, policies, laws, regulations or directions;
- (b) the level of complexity and difficulty associated with the installation;
- (c) the uniqueness of the circumstances associated with the installation; and
- (d) the presence of obstacles, dangers or other safety concerns during the time of installation.

---

### **3 Acknowledgements**

#### **3.1 Safety standards and procedures**

NBN Co will conduct all installations in accordance with safety standards or procedures that apply from time to time.

### **3.2 Professional Wiring Service optional**

A Professional Wiring Service by NBN Co is optional, and is not part of a Standard Installation.

### **3.3 In-building cabling**

NBN Co is not responsible for in-building cabling and may not progress an order unless suitable in-building cabling connecting the Customer Side MDF to the relevant Premises exists.

---

## **4 Definitions**

For the purposes of this Annexure 3 to Schedule 1C:

**Appointment** means the appointment period requested by an Access Seeker, and agreed to by NBN Co, in which NBN Co (or the Installer) will perform the installation and activation of Connecting Equipment at a Premises in connection with the supply of a Product Component or Product Feature, including:

- (a) any initial appointment for the installation of the Connecting Equipment in respect of the Premises; and
- (b) any subsequent appointment required to perform or complete the installation of the Connecting Equipment in respect of the Premises.

**Connecting Equipment** means:

- (a) a Jumper Cable; and
- (b) any other equipment which NBN Co considers is required to transition the service to NBN Co.

**Standard Hours** means a period between 9:00am and 5:00pm, Monday to Friday, excluding public holidays in the state or territory in which the Premises is located.

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## **Annexure 4 Standard NBN Co FTTN Access Service Installation**

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### **1 Standard NBN Co FTTN Access Service Installation**

An installation will be considered to be a **Standard NBN Co FTTN Access Service Installation** in respect of a Premises where each of the following conditions is satisfied:

- (a) all Connecting Equipment in respect of that Premises is able to be installed during an Appointment in Standard Hours and activated during Standard Hours;
- (b) the installation in respect of the Premises requires no more than the following (where relevant):
  - (i) where the Premises is located at an MDU Site:
    - (A) one Jumper Cable; and
    - (B) any other equipment which NBN Co considers is required; or
  - (ii) where the Premises is not located at an MDU Site:
    - (A) one Lead-in Cable;
    - (B) one PCD;
    - (C) one Copper Connecting Cable;
    - (D) one Telecommunications Outlet or Passive NTD (as appropriate); and
    - (E) any other equipment which NBN Co considers is required;
- (c) NBN Co (or the Installer):
  - (i) has been provided with necessary rights of access to the Premises, as required under an Access Agreement;
  - (ii) is given access to the MDF;
  - (iii) is given access to the Common Property, if required by NBN Co; and
  - (iv) is given access to the Premises, if required,  
at the time during the Appointment to perform and complete the installation of the Connecting Equipment at that Premises (including any necessary inspection or related works); and
- (d) in respect of the Connecting Equipment:
  - (i) a PCD:
    - (A) is not required;
    - (B) is already installed and able to service the Premises; or
    - (C) is able to be installed on the exterior of the Building at which the Premises is located;
  - (ii) a Lead-in Cable:
    - (A) is not required;



## Schedule 1C: Annexure 4 (Standard NBN Co FTTN Access Service Installation)

(B) is already installed and able to service the Premises; or

(C) is:

(I) only required from the network connection point to the PCD which serves the Premises;

(II) able to be installed at the Premises:

a. through an existing conduit;

b. through a new conduit; or

c. aerially; and

(III) no more than 60 metres in length, measured by reference to the cable run distance between:

a. the property boundary point nearest the location of the network connection point; and

b. the PCD or building entry point,

or such longer length as may be reasonably determined by NBN Co in the circumstances; and

(iii) the Copper Connecting Cable:

(A) is not required;

(B) is already installed and able to service the Premises; or

(C) is no more than 40 metres in length, measured by reference to the cable run distance between the PCD or building entry point and the location of the UNI, or such longer length as may reasonably be determined by NBN Co in the circumstances.

---

## 2 Non Standard NBN Co FTTN Access Service Installation

Notwithstanding anything in clause 1 of this Annexure 4 to Schedule 1C, an installation will be considered to be a **Non Standard NBN Co FTTN Access Service Installation** in respect of a Premises if NBN Co (or the Installer) determines, acting reasonably, that the installation of Connecting Equipment at the Premises does not properly constitute a “standard installation”, having regard to the following:

(a) generally accepted industry practices and any applicable industry guidelines, policies, laws, regulations or directions;

(b) the level of complexity and difficulty associated with the installation;

(c) the uniqueness of the circumstances associated with the installation; and

(d) the presence of obstacles, dangers or other safety concerns during the time of installation.

---

## **3 Acknowledgements**

### **3.1 Safety standards and procedures**

NBN Co will conduct all installations in accordance with safety standards or procedures that apply from time to time.

### **3.2 Professional Wiring Service optional**

A Professional Wiring Service by NBN Co is optional, and is not part of a Standard Installation.

### **3.3 Requirement for Connecting Equipment**

Where a new Lead-in Cable is required, NBN Co is not responsible for providing suitable trenching and conduit or the erection of poles, including clearing, digging and reinstatement of land between the property entry point and the building entry point.

---

## **4 Definitions**

For the purposes of this Annexure 4 to Schedule 1C:

**Appointment** means the appointment period requested by an Access Seeker, and agreed to by NBN Co, in which NBN Co (or the Installer) will perform the installation and activation of Connecting Equipment at a Premises in connection with the supply of a Product Component or Product Feature, including:

- (a) any initial appointment for the installation of the Connecting Equipment at the Premises; and
- (b) any subsequent appointment required to perform or complete the installation of the Connecting Equipment at the Premises.

**Connecting Equipment** means:

- (a) where the Premises is located at an MDU Site:
  - (i) a Jumper Cable; and
  - (ii) any other equipment which NBN Co considers is required to transition the service to NBN Co; or
- (b) where the Premises is not located at an MDU Site, any or all (as the context requires) of:
  - (i) a Lead-In Cable;
  - (ii) a PCD;
  - (iii) a Copper Connecting Cable;
  - (iv) a Passive NTD;
  - (v) a Telecommunications Outlet; and
  - (vi) any other equipment which NBN Co considers is required to transition the service to NBN Co.

**Standard Hours** means a period between 9:00am and 5:00pm, Monday to Friday, excluding public holidays in the state or territory in which the Premises is located.

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## **Annexure 5 Standard NBN Co HFC Access Service Installation**

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### **1 Standard NBN Co HFC Access Service Installation**

An installation will be considered to be a **Standard NBN Co HFC Access Service Installation** in respect of a Premises where each of the following conditions is satisfied:

- (a) all Connecting Equipment in respect of that Premises is able to be installed during an Appointment in Standard Hours and activated during Standard Hours;
- (b) the installation requires no more than the installation of the Connecting Equipment (as required);
- (c) NBN Co (or the Installer):
  - (i) has been provided with necessary rights of access to the Premises, as required under an Access Agreement;
  - (ii) is given access to the Common Property, if required by NBN Co; and
  - (iii) is given access to the Premises, if required,

at the time during the Appointment to perform and complete the installation of the Connecting Equipment at that Premises (including any necessary inspection or related works); and
- (d) in respect of the Connecting Equipment:
  - (i) a PCD:
    - (A) is not required;
    - (B) is already installed and able to service the Premises; or
    - (C) is able to be installed on the exterior of the Building at which the Premises is located;
  - (ii) an HFC Lead-In Cable:
    - (A) is not required;
    - (B) is already installed and able to service the Premises; or
    - (C) is:
      - (I) only required from the HFC Tap to the PCD which serves the Premises; and
      - (II) able to be installed at the Premises:
        - a. through an existing lead-in conduit;
        - b. through a new lead-in conduit; or
        - c. aerially; and
      - (III) no more than 60 metres in length, measured by reference to the cable run distance between:
        - a. the property boundary point nearest the location of the network connection point; and

## Schedule 1C: Annexure 5 (Standard NBN Co HFC Access Service Installation)

- b. the PCD or building entry point,  
or such longer length as may be reasonably determined by NBN Co in the circumstances;
- (iii) the HFC Wall Outlet:
  - (A) is not required;
  - (B) is already installed and able to service the Premises; or
  - (C) is able to be attached on the interior side of a wall of the Premises, at a location agreed between the End User and NBN Co (or the Installer), and that location has:
    - (I) a 240 volt power source available for the supply of electricity to the NTD and its associated power supply and that power source is located within a distance that will allow a direct connection to the NTD; and
    - (II) a 240 volt power source available for the supply of electricity to the HFC Premises Amplifier Power Supply (if installed);
- (iv) the HFC Connecting Cable:
  - (A) is not required;
  - (B) is already installed and able to service the Premises; or
  - (C) is no more than 40 metres in length, measured by reference to the cable run distance between the PCD or building entry point and location of the first HFC Wall Outlet, or such longer length as may reasonably be determined by NBN Co in the circumstances;
- (v) the HFC Premises Amplifier and associated HFC Premises Amplifier Power Supply (as the case may be):
  - (A) is not required;
  - (B) is already installed and able to service the Premises; or
  - (C) is required and the Premises has a 240 volt power source available for the supply of electricity to the HFC Premises Amplifier Power Supply;
- (vi) the HFC Fly Lead and the HFC RF Splitter (as the case may be):
  - (A) is not required;
  - (B) is already installed;
  - (C) is not already installed and the following conditions are met in respect of the Premises:
    - (I) an HFC Tap port is available for the Premises and a physical connection is not in place between the HFC Tap and the PCD; or
    - (II) a physical connection is in place between the HFC Tap and the PCD, no augmentation or patching between the PCD and the HFC Tap is required for the supply of the NBN Co HFC Access Service, and no HFC Connecting Cable, HFC Wall Outlet or NTD has been installed; or

## Schedule 1C: Annexure 5 (Standard NBN Co HFC Access Service Installation)

(D) is not already installed and the following conditions are met in respect of the Premises:

(I) a physical connection is in place between the HFC Tap and the PCD and no augmentation or patching between the PCD and the HFC Tap is required for the supply of the NBN Co HFC Access Service;

(II) an HFC Connecting Cable has been installed to at least one HFC Wall Outlet which is able to be used for the supply of the NBN Co HFC Access Service;

(III) no NTD has been installed or an NTD has been installed but no UNI ports are available; and

(IV) the HFC Fly Lead and the HFC RF Splitter (as the case may be) are installed by means of an End User HFC-NTD Installation (NBN Co Dispatched); and

(vii) the NTD:

(A) is not required;

(B) is already installed;

(C) is not already installed and the following conditions are met in respect of the Premises:

(I) an HFC Tap port is available for the Premises and a physical connection is not in place between the HFC Tap and the PCD; or

(II) a physical connection is in place between the HFC Tap and the PCD, no augmentation or patching between the PCD and the HFC Tap is required for the supply of the NBN Co HFC Access Service, and no HFC Connecting Cable or HFC Wall Outlet has been installed; or

(D) is not already installed and the following conditions are met in respect of the Premises:

(I) a physical connection is in place between the HFC Tap and the PCD and no augmentation or patching between the PCD and the HFC Tap is required for the supply of the NBN Co HFC Access Service;

(II) an HFC Connecting Cable has been installed to at least one HFC Wall Outlet which is able to be used for the supply of the NBN Co HFC Access Service; and

(III) the NTD is installed by means of an End User HFC-NTD Installation (NBN Co Dispatched).

---

## **2 Non Standard NBN Co HFC Access Service Installation**

Notwithstanding anything in clause 1 of this Annexure 5 to Schedule 1C, an installation will be considered to be a **Non Standard NBN Co HFC Access Service Installation** in respect of a Premises if NBN Co (or the Installer) determines, acting reasonably, that the installation of Connecting Equipment at the Premises does not properly constitute a “standard installation”, having regard to the following:

(a) generally accepted industry practices and any applicable industry guidelines, policies, laws, regulations or directions;

(b) the level of complexity and difficulty associated with the installation;

(c) the uniqueness of the circumstances associated with the installation; and

(d) the presence of obstacles, dangers or other safety concerns during the time of installation.

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### **3 Acknowledgements**

#### **3.1 Safety standards and procedures**

NBN Co will conduct all installations in accordance with safety standards or procedures that apply from time to time.

#### **3.2 Requirement for Connecting Equipment**

Where a new HFC Lead-in Cable is required, NBN Co is not responsible for providing suitable trenching and conduit or the erection of poles, including clearing, digging and reinstatement of land between the property entry point and the building entry point.

---

### **4 Definitions**

For the purposes of this Annexure 5 to Schedule 1C:

**Appointment** means the appointment period requested by an Access Seeker, and agreed to by NBN Co, in which NBN Co (or the Installer) will perform the installation and activation of Connecting Equipment at a Premises in connection with the supply of a Product Component or Product Feature, including:

(a) any initial appointment for the installation of the Connecting Equipment at the Premises; and

(b) any subsequent appointment required to perform or complete the installation of the Connecting Equipment at the Premises.

**Building** means a permanent structure, equipment or a building in respect of which an NTD is able to be installed.

**Connecting Equipment** means any or all (as the context requires) of:

(a) an HFC Lead-In Cable;

(b) a PCD;

(c) an HFC Connecting Cable;

(d) an HFC Wall Outlet;

(e) an HFC Premises Amplifier and associated HFC Premises Amplifier Power Supply;

(f) an HFC Fly Lead;

(g) an HFC RF Splitter; and

(h) an NTD.

**Standard Hours** means a period between 9:00am and 5:00pm, Monday to Friday, excluding public holidays in the state or territory in which the Premises is located.

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## **Annexure 6 Standard NBN Co FTTC Access Service Installation**

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### **1 Standard NBN Co FTTC Access Service Installation**

An installation will be considered to be a **Standard NBN Co FTTC Access Service Installation** in respect of a Premises where each of the following conditions is satisfied:

- (a) all Connecting Equipment in respect of that Premises is able to be installed during an Appointment in Standard Hours and activated during Standard Hours;
- (b) the installation at the Premises requires no more than the following (where relevant):
  - (i) where the Premises is located at an MDU Site:
    - (A) one Jumper Cable between the NBN Co Side MDF and the Access Seeker Side MDF;
    - (B) one set of FTTC-NCD Connecting Equipment; and
    - (C) any other equipment which NBN Co considers is required; or
  - (ii) where the Premises is not located at an MDU Site:
    - (A) one Lead-in Cable;
    - (B) one PCD;
    - (C) one Copper Connecting Cable;
    - (D) one Telecommunications Outlet or Passive NTD (as appropriate);
    - (E) one set of FTTC-NCD Connecting Equipment; and
    - (F) any other equipment which NBN Co considers is required;
- (c) NBN Co (or the Installer):
  - (i) has been provided with necessary rights of access to the Premises, as required under an Access Agreement;
  - (ii) is given access to the MDF;
  - (iii) is given access to the Common Property, if required by NBN Co; and
  - (iv) is given access to the Premises, if required,  
at the time during the Appointment to perform and complete the installation of the Connecting Equipment at that Premises (including any necessary inspection or related works);
- (d) in respect of a Premises located at an MDU Site, a Telecommunications Outlet:
  - (i) is not required; or
  - (ii) is in place and is at a location which has a 240 volt power source which is:
    - (A) within a distance from the Telecommunications Outlet that will allow direct connection to the NBN Co FTTC-NCD; and
    - (B) is available to supply electricity to the NBN Co FTTC-NCD; and

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(e) in respect of a Premises not located at an MDU Site:(i) a Lead-in Cable:(A) is not required;(B) is already installed and able to service the Premises; or(C) is:(I) only required from the NBN Co DPU to the PCD which serves the Premises;(II) able to be installed at the Premises:a. through an existing lead-in conduit;b. through a new lead-in conduit; orc. aerially; and(III) no more than 60 metres in length, measured by reference to the cable run distance between:a. the property boundary point nearest the location of the NBN Co DPU used to serve that Premises; andb. the PCD or building entry point,or such longer length as may be reasonably determined by NBN Co in the circumstances; and(ii) a PCD:(A) is not required;(B) is already installed and able to service the Premises; or(C) is able to be installed on the exterior of the Building at which the Premises is located;(iii) a Telecommunications Outlet or Passive NTD:(A) is already installed and able to service the Premises; or(B) is able to be attached to the interior side of a wall of the Premises at a location agreed between the End User and NBN Co (or the Installer) which has a 240 volt power source which is:(I) within a distance from the Telecommunications Outlet or Passive NTD that will allow direct connection to the NBN Co FTTC-NCD; and(II) is available to supply electricity to the NBN Co FTTC-NCD; or(iv) the Copper Connecting Cable:(A) is not required;(B) is already installed and able to service the Premises; or



(C) is no more than 40 metres in length, measured by reference to the cable run distance between the PCD or building entry point and the location of the NBN Co Downstream Network Boundary, or such longer length as may reasonably be determined by NBN Co in the circumstances; and

(f) in respect of a premises where an FTTC-NCD has previously been installed, the FTTC-NCD Connecting Equipment is installed by means of an End User FTTC-NCD Installation (NBN Co Dispatched).

---

## **2 Non Standard NBN Co FTTC Access Service Installation**

Notwithstanding anything in clause 1 of this Annexure 6 to Schedule 1C, an installation will be considered to be a **Non Standard NBN Co FTTC Access Service Installation** in respect of a Premises if NBN Co (or the Installer) determines, acting reasonably, that the installation of Connecting Equipment at the Premises does not properly constitute a “standard installation”, having regard to the following:

- (a) generally accepted industry practices and any applicable industry guidelines, policies, laws, regulations or directions;
- (b) the level of complexity and difficulty associated with the installation;
- (c) the uniqueness of the circumstances associated with the installation; and
- (d) the presence of obstacles, dangers or other safety concerns during the time of installation.

---

## **3 Acknowledgements**

### **3.1 Safety standards and procedures**

NBN Co will conduct all installations in accordance with safety standards or procedures that apply from time to time.

### **3.2 Professional Wiring Service optional**

A Professional Wiring Service by NBN Co is optional, and is not part of a Standard Installation.

### **3.3 Requirement for Connecting Equipment**

Where a new Lead-in Cable is required, NBN Co is not responsible for providing suitable trenching and conduit or the erection of poles, including clearing, digging and reinstatement of land between the property entry point and the building entry point.

---

## **4 Definitions**

For the purposes of this Annexure 6 to Schedule 1C:

**Appointment** means the appointment period requested by an Access Seeker, and agreed to by NBN Co, in which NBN Co (or the Installer) will perform the installation and activation of Connecting Equipment at a Premises in connection with the supply of a Product Component or Product Feature, including:

- (a) any initial appointment for the installation of the Connecting Equipment at the Premises; and
- (b) any subsequent appointment required to perform or complete the installation of the Connecting Equipment at the Premises.

**Connecting Equipment** means:

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(a) where the Premises is located at an MDU Site:

(i) a Jumper Cable;

(ii) the FTTC-NCD Connecting Equipment; and

(iii) any other equipment which NBN Co considers is required to transition the service to NBN Co; or

(b) where the Premises is not located at an MDU Site, any or all (as the context requires) of:

(i) a Lead-In Cable;

(ii) a PCD;

(iii) a Copper Connecting Cable;

(iv) a Passive NTD;

(v) a Telecommunications Outlet;

(vi) the FTTC-NCD Connecting Equipment; and

(vii) any other equipment which NBN Co considers is required to transition the service to NBN Co.

**Standard Hours** means a period between 9:00am and 5:00pm, Monday to Friday, excluding public holidays in the state or territory in which the Premises is located.

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## Annexure 7 Standard NSAS Installation

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### 1 Standard NSAS Installation

An installation will be considered to be a **Standard NSAS Installation** in respect of a Premises where each of the following conditions is satisfied:

- (a) all Connecting Equipment in respect of that Premises is able to be installed during an Appointment in Standard Hours and activated during Standard Hours;
- (b) the installation at the Premises:
  - (i) requires no more than one NTD (which includes an indoor component and an outdoor component);
  - (ii) does not require any special mounting or health, safety and environmental arrangements; and
  - (iii) will not occur in a Limited Access Area;
- (c) NBN Co (or the Installer):
  - (i) has been provided with necessary rights of access to the Premises, as required under an Access Agreement;
  - (ii) is given access to the Common Property, if required by NBN Co; and
  - (iii) is given access to the Premises, if required,

at the time during the Appointment to perform and complete the installation of the Connecting Equipment at that Premises (including any necessary inspection or related works);
- (d) in respect of the Connecting Equipment:
  - (i) the outdoor component of the NTD:
    - (A) is not required;
    - (B) is already installed and able to service the Premises; or
    - (C) is able to be installed in a location that is:
      - (I) no more than 50 metres in length, measured by reference to the cable run distance between the proposed location of the indoor component of the NTD and the proposed location of that outdoor component; or
      - (II) such longer length as may be reasonably determined by NBN Co in the circumstances; and
  - (ii) the indoor component of the NTD is able to be attached on the interior side of a wall of the Premises, at a location agreed between the End User and NBN Co (or the Installer), and:
    - (A) if an AC power supply unit is installed, it has a 240 volt power source which is:
      - (I) available for the supply of electricity to the NTD; and

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(II) within a distance that will allow a direct connection to the indoor component of the NTD; or

(B) if a DC power supply is installed, it has a power source which:

(I) complies with any requirements notified by NBN Co from time to time;

(II) is located within a distance that will allow a direct connection to the indoor component of the NTD; and

(III) is available for the supply of electricity to the NTD.

---

## **2 Non Standard NSAS Installation**

Notwithstanding anything in clause 1 of this Annexure 7 to Schedule 1C, an installation will be considered to be a **Non Standard NSAS Installation** in respect of a Premises if NBN Co (or the Installer) determines, acting reasonably, that the installation of Connecting Equipment at the Premises does not properly constitute a “standard installation”, having regard to the following:

- (a) generally accepted industry practices and any applicable industry guidelines, policies, laws, regulations or directions;
- (b) the level of complexity and difficulty associated with the installation;
- (c) the uniqueness of the circumstances associated with the installation; and
- (d) the presence of obstacles, dangers or other safety concerns during the time of installation.

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## **3 Acknowledgements**

### **3.1 Safety standards and procedures**

NBN Co will conduct all installations in accordance with safety standards or procedures that apply from time to time.

---

## **4 Definitions**

For the purposes of this Annexure 7 to Schedule 1C:

**Appointment** means the appointment arranged by NBN Co with the Contracted End User or their representative after the Access Seeker has reserved installation capacity, in which appointment NBN Co (or the Installer) will perform the installation and activation of Connecting Equipment at a Premises in connection with the supply of a Product Component or Product Feature, including:

- (a) any initial appointment for the installation of the Connecting Equipment at the Premises; and
- (b) any subsequent appointment required to perform or complete the installation of the Connecting Equipment at the Premises.

**Connecting Cable** means the Line which connects from the outdoor unit of an NTD to the indoor unit of that NTD.

**Connecting Equipment** means:

- (a) an outdoor NTD component;
- (b) a Connecting Cable;

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(c) an indoor NTD component; and

(d) any ancillary equipment, facilities, lines or network owned or controlled by, or operated by or on behalf of NBN Co between and including the indoor component of the NTD and the outdoor component of the NTD.

**Standard Hours** means a period between 9:00am and 5:00pm, Monday to Friday, excluding public holidays in the state or territory in which the Premises is located.

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## Schedule 1D Regulatory Asset Base

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### 1D.1 General

#### 1D.1.1 Scope

This Schedule 1D applies for the Initial Regulatory Period.

#### 1D.1.2 Overview

- (a) Clause 1D.2 sets out how the ACCC will calculate the Regulatory Asset Base (or RAB) for the Relevant Assets.
- (b) Clauses 1D.3 to 1D.12 set out the conditions and circumstances for Capital Expenditure to be included in the RAB.

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## 1D.2 Calculation of the Regulatory Asset Base

### 1D.2.1 Calculation of Real RAB

The Real RAB will be:

- (a) as at the Cost Commencement Date, zero;
- (b) following the Cost Commencement Date, rolled forward to the start of Financial Year ( $t+1$ ) according to the following methodology:

$$\begin{aligned} \text{Real RAB}_{t+1}^{\text{start}} &= \text{Real RAB}_t^{\text{end}} \\ &= \text{Real RAB}_t^{\text{start}} + \text{Real Capex}_t - \text{Real Disposals}_t \\ &\quad - \text{Real Straight Line Depreciation}_t \end{aligned}$$

where:

$t$  is the Financial Year being evaluated.

$\text{Real RAB}_{t+1}^{\text{start}}$  is the Real RAB at the start of Financial Year ( $t+1$ ).

$\text{Real RAB}_t^{\text{end}}$  is the Real RAB at the end of Financial Year ( $t$ ).

$\text{Real RAB}_t^{\text{start}}$  is zero where the Cost Commencement Date occurs in Financial Year ( $t$ ) and otherwise the Real RAB at the start of Financial Year ( $t$ ).

$\text{Real Capex}_t$  is the real value of the Capital Expenditure in connection with the design, engineering, construction, replacement and augmentation of the Relevant Assets during Financial Year ( $t$ ) that is to be included in the RAB in accordance with clause 1D.3, where Capital Expenditure is recognised as being incurred at the time the Relevant Asset in connection with which the Capital Expenditure was incurred is Placed in Service. The conversion of real values from nominal values will be calculated in accordance with clause [1E.8.41E.9.4](#).

$\text{Real Disposals}_t$  is the real value of the Relevant Assets that were actually disposed of during Financial Year ( $t$ ). The conversion of real values from nominal values will be calculated in accordance with clause [1E.8.41E.9.4](#).

## Schedule 1D (Regulatory Asset Base)

*Real Straight Line Depreciation<sub>t</sub>* is the real value of the depreciation applicable to the Relevant Assets included in the RAB in Financial Year (t), determined in accordance with clause ~~1E.8.1~~~~1E.9.1~~.

### 1D.2.2 Calculation of Nominal RAB

The Nominal RAB will be:

$$\text{Nominal RAB}_t^{\text{end}} = \text{CIF}_t * \text{Real RAB}_t^{\text{end}}$$

and:

$$\begin{aligned} \text{Nominal RAB}_t^{\text{start}} &= \text{Nominal RAB}_{t-1}^{\text{end}} \\ &= \text{CIF}_{t-1} * \text{Real RAB}_{t-1}^{\text{end}} \\ &= \text{CIF}_{t-1} * \text{Real RAB}_t^{\text{start}} \end{aligned}$$

where:

*Nominal RAB<sub>t</sub><sup>start</sup>* is the Nominal RAB at the start of Financial Year (t).

*Nominal RAB<sub>t</sub><sup>end</sup>* is the Nominal RAB at the end of Financial Year (t).

*CIF<sub>t</sub>* is defined in clause ~~1E.8.4(b)~~~~1E.9.4(b)~~.

*Real RAB<sub>t</sub><sup>start</sup>* is the Real RAB at the start of Financial Year (t).

*Real RAB<sub>t</sub><sup>end</sup>* is the Real RAB at the end of the relevant Financial Year (t).

### 1D.2.3 Inclusion of initial Capital Expenditure

Pursuant to clause 1D.3.2(a)(ii), all Capital Expenditure incurred between the Cost Commencement Date and the SAU Commencement Date is to be included within the RAB as described in this Schedule 1D.

### 1D.2.4 Treatment of Construction in Progress

- (a) Capital Expenditure that has not yet been Placed in Service (**Construction in Progress** or **CIP**) will be accounted for separately. CIP will be consistent with the values in NBN Co's audited accounts and will not include any allowance for interest during construction.
- (b) An Annual Construction in Progress Allowance (**ACIPA**) will be calculated each year by the ACCC in accordance with clause ~~1E.9~~~~1E.10~~ and, to the extent that the ACCC has determined that CIP meets the requirements of clause 1D.2.4(c), included by the ACCC in the calculation of the Annual Building Block Revenue Requirement as described in clause 1E.4.
- (c) CIP will be included in the calculation of the ACIPA, to the extent the ACCC is satisfied that the Capital Expenditure incurred in connection with the Relevant Asset not yet Placed In Service meets the requirements of clause 1D.3 (with all references to Capital Expenditure in those clauses being read as references to CIP).

### 1D.2.5 Provision of Forecast Capital Expenditure

Prior to the commencement of each Financial Year of the Initial Regulatory Period, NBN Co will provide to the ACCC, forecasts in respect of Capital Expenditure in accordance with clause 1F.1.2.

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## 1D.3 Capital Expenditure

### 1D.3.1 Inclusion of Capital Expenditure in the RAB

For the purposes of calculating the RAB for the Relevant Assets pursuant to clause 1D.2.1, Capital Expenditure incurred in a Financial Year may only be included in the RAB in accordance with this clause 1D.3.

### 1D.3.2 Pre-condition to the inclusion of Capital Expenditure in the RAB

- (a) Capital Expenditure incurred in a Financial Year may only be included in the RAB to the extent that the ACCC is satisfied that the Capital Expenditure:
- (i) meets:
    - (A) the Prudent Cost Condition (in accordance with clause 1D.4); and
    - (B) the Prudent Design Condition (in accordance with clause 1D.6); or
  - (ii) was incurred between the Cost Commencement Date and the SAU Commencement Date or was incurred in connection with any of the following matters:
    - (A) the NBN Co Interim Satellite Network;
    - (B) the Interim Transit Arrangements;
    - (C) the Telstra Arrangements;
    - (D) the Optus Arrangements;
    - (E) the Tasmania Tri-Area Service Arrangements;
    - (F) the First Release Trial Sites; or
    - (G) Third Party Funded Network Changes.
- (b) If, in respect of any part of the Capital Expenditure incurred in a Financial Year:
- (i) the ACCC is not satisfied that the Capital Expenditure meets the Prudent Design Condition; and
  - (ii) the ACCC is not satisfied that the Capital Expenditure was incurred between the Cost Commencement Date and the SAU Commencement Date or was incurred in connection with any of the matters specified in clause 1D.3.2(a)(ii),
- that part (and only that part) of the Capital Expenditure must not be included in the RAB to the extent the ACCC is not satisfied of the matters described in clauses 1D.3.2(b)(i) and 1D.3.2(b)(ii).
- (c) If, in respect of any part of the Capital Expenditure incurred in a Financial Year:
- (i) the ACCC is satisfied that the Capital Expenditure meets the Prudent Design Condition but the ACCC is not satisfied that the Capital Expenditure satisfies the Prudent Cost Condition; and
  - (ii) the ACCC is not satisfied that the Capital Expenditure was incurred between the Cost Commencement Date and the SAU Commencement Date or was incurred in connection with any of the matters specified in clause 1D.3.2(a)(ii),



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that part of the Capital Expenditure must not be included in the RAB and, in making an LTRCM Determination pursuant to clause 1E.1.2, the ACCC must determine an amount of Capital Expenditure that is to be included in the RAB in substitution for that part of the Capital Expenditure for that Financial Year in accordance with clause 1D.3.2(d).

- (d) A substitute amount of Capital Expenditure for a Financial Year under clause 1D.3.2(c) must be an amount of Capital Expenditure that the ACCC is satisfied:
- (i) meets the Prudent Design Condition; and
  - (ii) is consistent with Capital Expenditure that has been included in the RAB in respect of any prior Financial Year, having regard to:
    - (A) the relative amounts of the Capital Expenditure incurred in those Financial Years;
    - (B) the relative cost of relevant goods or services in those Financial Years;
    - (C) any relevant differences in the scale and scope of the Relevant Assets in connection with which the Capital Expenditure was incurred in those Financial Years;
    - (D) the NBN Co Corporate Plan applicable at the time the Capital Expenditure was incurred; and
    - (E) any other matter the ACCC considers relevant.

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## 1D.4 Prudent Cost Condition

### 1D.4.1 Prudent Cost Condition for the Relevant Assets

- (a) Capital Expenditure incurred in a Financial Year will meet the Prudent Cost Condition for the purposes of clause 1D.3.2(a)(i)(A):
- (i) to the extent that the ACCC is satisfied that:
    - (A) the Capital Expenditure was incurred in connection with the design, engineering and construction of the Relevant Assets pursuant to a Conforming Contract as initially entered into or as varied in accordance with the process of contract variations set out in that contract; and
    - (B) if a Material Change in Circumstances affecting the Conforming Contract occurred between the time that the Conforming Contract was initially entered into or last varied (as the case may be) and the time the Capital Expenditure was incurred, and the varied, changed or enhanced design, engineering and construction of the Relevant Assets falls outside the scope of that Conforming Contract, NBN Co had considered whether the Conforming Contract should be varied or further varied or whether a new Conforming Contract with the same Third Party or another Third Party should be entered into before incurring that Capital Expenditure; or
  - (ii) to the extent the ACCC is satisfied that the Capital Expenditure was incurred in respect of a good or service procured in an open and competitive market (e.g. a commodity market); or
  - (iii) to the extent that the ACCC is satisfied that the Capital Expenditure was not incurred pursuant to a contract entered into with a Third Party but was incurred in a manner that is likely to achieve value for money and the lowest Total Cost of Ownership.

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- (b) In this clause 1D.4.1, a **Conforming Contract** is a contract entered into by NBN Co, or any Related Body Corporate of NBN Co, with a Third Party that:
- (i) was:
    - (A) let in accordance with a competitive tendering and procurement process;
    - (B) in respect of the procurement of a good or service for which there was only one potential supplier of a particular good or service because there were no reasonable alternatives or substitutes;
    - (C) entered into on arm's length terms in circumstances where it was reasonable to do so having regard to whether there were alternative or substitute suppliers and the terms and conditions (including price) available from those alternative or substitute suppliers; or
    - (D) entered into in exceptional circumstances, because it was either not desirable or not practicable for NBN Co to enter into a contract of the kind referred to in clauses 1D.4.1(b)(i)(A), 1D.4.1(b)(i)(B) or 1D.4.1(b)(i)(C); and
  - (ii) if the contract is of the kind referred to in clauses 1D.4.1(b)(i)(A), 1D.4.1(b)(i)(B) or 1D.4.1(b)(i)(C), includes a process for the management of the design, engineering and construction of the Relevant Assets through a process of contract variations which provides:
    - (A) that reasonable consideration be given to managing the risk of such contract variations;
    - (B) for the provision of clear documentary evidence regarding the nature and reasonableness of any such contract variations; and
    - (C) that the design, engineering and construction of the Relevant Assets falls within the scope of such a process.
- (c) For the purposes of this clause 1D.4.1, a **Material Change in Circumstances** occurs if:
- (i) there is a variation, change or enhancement to the design, engineering and construction of the Relevant Assets; and
  - (ii) the estimated Capital Expenditure associated with the implementation of that variation, change or enhancement of the Relevant Assets exceeds or is expected to exceed the Minor Expenditure Limit.

#### 1D.4.2 Capital Expenditure factors

- (a) In deciding whether Capital Expenditure incurred in a Financial Year meets the requirement specified in clause 1D.4.1(a)(i)(A), the ACCC must have regard to:
- (i) whether the contract pursuant to which the Capital Expenditure was incurred was entered into in accordance with NBN Co's procurement processes, including in accordance with the Procurement Rules; and
  - (ii) any other factor the ACCC considers relevant.
- (b) In determining whether exceptional circumstances exist for the purposes of clause 1D.4.1(b)(i)(D), the ACCC must have regard to:

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- (i) the extent to which the Capital Expenditure was incurred on exceptionally advantageous terms;
- (ii) the extent to which the Capital Expenditure was procured in a manner required or rendered desirable by a legal, policy, regulatory or administrative requirement, or a requirement of the Shareholder Ministers;
- (iii) the extent to which it was in the best interests of NBN Co, or any Related Body Corporate of NBN Co, to incur the Capital Expenditure with the particular supplier with which the Capital Expenditure was incurred or in the particular circumstances in which the Capital Expenditure was procured having regard to the lifetime cost of acquisition and operation of the Relevant Assets involved; and
- (iv) any other factor the ACCC considers relevant.

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## 1D.5 Procurement Rules

### 1D.5.1 Procurement Rules

NBN Co will develop and maintain procurement rules that contain a competitive tendering and procurement process which satisfies the following conditions:

- (a) the process must seek to generate an efficient and competitive outcome by encouraging a reasonable and proportionate amount of competitive tension between tender participants and minimising the possibility of anti-competitive conduct among tender participants in contravention of the CCA;
- (b) there must be a clear process for:
  - (i) the calling and conduct of tenders and the involvement of tender participants; and
  - (ii) the assessment and awarding of tenders to successful participants,
 which meets reasonable requirements of procedural fairness, probity, fair dealing and good industry practice;
- (c) any decision to approve a tender that is not the lowest price tender must be appropriately justified and documented;
- (d) the basis for undertaking the works and services must be in accordance with good industry practice and the basis of payment for works and services must be clearly specified; and
- (e) there must be a process for managing contracts (both before and after the award of tenders) that accords with good industry practice and which seeks to achieve value for money and the lowest Total Cost of Ownership,

(the **Procurement Rules**).

### 1D.5.2 Provision of the Procurement Rules

NBN Co will provide the ACCC with a copy of the Procurement Rules within 30 days after the SAU Commencement Date and otherwise within 30 days after NBN Co makes any material amendments to the Procurement Rules.

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## 1D.6 Prudent Design Condition

Capital Expenditure in a Financial Year will satisfy the Prudent Design Condition for the purposes of clause 1D.3.2(a)(i)(B) to the extent the ACCC is satisfied that the Relevant Assets in connection with which the Capital Expenditure was incurred are materially consistent with or within the scope of:

- (a) the Network Design Rules, in accordance with clause 1D.7.1 and 1D.7.4;
  - (b) a Permitted Variation, as described in clause 1D.7.2; or
  - (c) an Endorsed Network Change, in accordance with the process described in clauses 1D.8 to 1D.12, or a Network Change as otherwise determined or permitted by the ACCC, including in any Regulatory Determination made by the ACCC.
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## 1D.7 Network Design Rules and Permitted Variations

### 1D.7.1 Scope of Network Design Rules

Subject to clause 1D.7.4, NBN Co will ensure that, on and from the SAU Commencement Date, the Network Design Rules for the Relevant Assets satisfy the following design scope:

- (a) in respect of the NBN Co Fibre Network:
  - (i) the NBN Co Fibre Network is to have a network footprint that is consistent with the coverage obligations set out in the Statement of Expectations as at 17 December 2010;
  - (ii) the NBN Co Fibre Network is to be primarily designed and built using GPON architecture;
  - (iii) the NBN Co Fibre Network is to be capable of delivering the speed requirements specified in the Statement of Expectations; and
  - (iv) NBN Co is to comply with the Statement of Expectations and the Australian Government's legislative and policy requirements in respect of the deployment of fibre in greenfield locations, including any alternative models contemplated for such deployments;
- (b) in respect of the NBN Co Wireless Network and the NBN Co Satellite Network:
  - (i) the NBN Co Wireless Network and the NBN Co Satellite Network are to have a total network footprint that is consistent with the coverage obligations set out in the Statement of Expectations as at 17 December 2010;
  - (ii) the NBN Co Wireless Network is to be capable of delivering the speed requirements specified in the Statement of Expectations and by the Australian Government;
  - (iii) the NBN Co Satellite Network is to be capable of delivering the speed requirements specified in the Statement of Expectations and by the Australian Government, ~~including an interim satellite solution with a 6 Mbps PIR downlink Data Transfer Rate;~~ and
- (c) in respect of the NBN Co Networks and the Relevant Assets generally:
  - (i) the Relevant Assets are to have a network availability that meets any applicable law;
  - (ii) the initial location of POIs within the NBN Co Network will be those identified in the POI List as at the SAU Commencement Date;
  - (iii) NBN Co is to use existing infrastructure for the NBN Co Network where it is economically and technically feasible to do so;

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- (iv) there is to be a path for technology upgrade of the Relevant Assets, to the extent possible; and
- (v) other matters set out in the Statement of Expectations are to be addressed to the extent applicable.

**1D.7.2 Permitted Variations from Network Design Rules**

- (a) NBN Co may vary, change, augment or enhance the design, engineering or construction of the Relevant Assets from that specified in the Network Design Rules where such variation, change, augmentation or enhancement:
    - (i) is contemplated by, or made pursuant to, the Network Design Rules; or
    - (ii) improves the performance or functionality of the Relevant Assets and results in the same or lower Total Cost of Ownership; or
    - (iii) achieves savings in the Total Cost of Ownership; or
    - (iv) is reasonably necessary to establish and maintain the quality, reliability and security of the Relevant Assets or the supply of the Product Components; or
    - (v) is required in connection with a Force Majeure Event; or
    - (vi) is required in order to comply with the Statement of Expectations, or a legal, policy, regulatory or administrative requirement, or any requirement of the Shareholder Ministers; or
    - (vii) relates to the maintenance, replacement or re-routing of assets that comprise the NBN Co Network that has a substantial primary purpose other than the augmentation or extension to such network (e.g. straight swap out of assets for assets as part of routine maintenance); or
    - (viii) subject to clause 1D.7.3(a), is the subject of an assessment by NBN Co (made at the time NBN Co becomes aware of the need for such variation, change, augmentation or enhancement) that the estimated Capital Expenditure incurred in connection with the relevant variation, change, augmentation or enhancement is likely to be less than the Minor Expenditure Limit; or
    - (ix) is required to address an urgent and unforeseen network issue where it is necessary that the variation, change, augmentation or enhancement is operational within 6 months of NBN Co becoming aware of the urgent and unforeseen network issue and:
      - (A) the event or circumstance causing the required variation, change, augmentation or enhancement was not reasonably foreseeable by, and was beyond the reasonable control of, NBN Co; and
      - (B) a failure to implement the variation, change, augmentation or enhancement is likely to materially adversely affect the safe and reliable operation of the NBN Co Network or the supply of the Product Components, Product Features, Ancillary Services or the Facilities Access Service,
- (each a **Permitted Variation**).
- (b) NBN Co must ensure that each Permitted Variation is designed, engineered and constructed with the objective of achieving the lowest Total Cost of Ownership.

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**1D.7.3 Minor Expenditure Limit and notification of urgent and unforeseen network issues**

- (a) For the purposes of clause 1D.7.2(a)(viii):
- (i) clause 1D.7.2(a)(viii) will be satisfied if the ACCC is satisfied that NBN Co has made an assessment in accordance with the requirements set out in that clause irrespective of whether the Capital Expenditure actually incurred in connection with the implementation of the relevant variation, change or enhancement actually exceeds the Minor Expenditure Limit; and
  - (ii) clause 1D.7.2(a)(viii) will not be satisfied to the extent that the ACCC is satisfied that NBN Co has made an assessment by dividing an integrated solution into distinct and separate parts merely for the purpose of satisfying the requirements of clause 1D.7.2(a)(viii).

- (b) On 1 July of each Financial Year ( $t$ ) during the Initial Regulatory Period, the Minor Expenditure Limit will automatically increase in accordance with the following formula:

$$\text{New MEL} = \text{Old MEL} * (1 + \text{CPI}_{t-1}^{\text{March}})$$

where:

**New MEL** is the revised Minor Expenditure Limit to take effect from 1 July of that Financial Year ( $t$ ).

**Old MEL** is the Minor Expenditure Limit that applied in the immediately preceding Financial Year ( $t-1$ ).

$\text{CPI}_{t-1}^{\text{March}}$  is the March Quarter CPI immediately prior to the 1 July in which the recalculation is to be performed.

- (c) If a variation, change, augmentation or enhancement to the design, engineering or construction of the Relevant Assets is required to address an urgent and unforeseen network issue pursuant to clause 1D.7.2(a)(ix), NBN Co must make the following information available to the ACCC within 6 months of the date that NBN Co identifies the need for such a variation, change, augmentation or enhancement:
- (i) the date when the variation, change, augmentation or enhancement became or will become operational;
  - (ii) the purpose of the variation, change, augmentation or enhancement; and
  - (iii) the Capital Expenditure and Operating Expenditure associated with the variation, change, augmentation or enhancement.

**1D.7.4 Updates to the Network Design Rules**

- (a) NBN Co must update the Network Design Rules to reflect a variation, change, augmentation or enhancement to the design, engineering or construction of the Relevant Assets in connection with:
- (i) a Permitted Variation;
  - (ii) an Endorsed Network Change;
  - (iii) any change to the Statement of Expectations; or

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- (iv) any legal, policy, regulatory or administrative requirement, or any requirement of the Shareholder Ministers, which has the effect of varying the design scope in clause 1D.7.1.
- (b) NBN Co must update the Network Design Rules in accordance with:
  - (i) the terms of this Special Access Undertaking, including any variation to this Special Access Undertaking accepted by the ACCC in accordance with section 152CBG of the CCA; and
  - (ii) any Regulatory Determination made by the ACCC to the extent it is not inconsistent with the terms of this Special Access Undertaking.
- (c) If NBN Co updates the Network Design Rules pursuant to clauses 1D.7.4(a) or 1D.7.4(b), NBN Co will promptly provide a copy of the updated Network Design Rules to the ACCC. For the purposes of the remainder of this clause 1D.7.4, the date on which the updated Network Design Rules are provided to the ACCC is the **Revised NDR Date**.
- (d) NBN Co may only update the Network Design Rules in accordance with this clause 1D.7.4.
- (e) For the purposes of clause 1D.6(a), the following approach will determine which version of the Network Design Rules is to apply to Capital Expenditure:
  - (i) the Network Design Rules which applied prior to the Revised NDR Date will continue to apply in respect of Capital Expenditure:
    - (A) incurred prior to the Revised NDR Date in connection with the design, engineering or construction of the Relevant Assets; or
    - (B) in connection with the design, engineering or construction of the Relevant Assets which is in progress (and not completed) as at the Revised NDR Date; and
  - (ii) the Network Design Rules which apply on and from the Revised NDR Date will only apply in respect of Capital Expenditure:
    - (A) incurred after the Revised NDR Date in connection with the design, construction or engineering of the Relevant Assets; and
    - (B) which is not otherwise part of the design, construction or engineering activities described in clause 1D.7.4(e)(i),

unless NBN Co, as part of its submission of updated Network Design Rules to the ACCC, proposes an alternative approach for determining which version of the Network Design Rules is to apply to Capital Expenditure, in which case the alternative approach will apply from the date specified by NBN Co in its submission, except where the ACCC issues a determination within 60 Business Days of the Revised NDR Date rejecting the adoption of the alternative approach, in which case the approach set out in clauses 1D.7.4(e)(i) and 1D.7.4(e)(ii) above will continue to apply.

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## 1D.8 Network Changes: Selection and publication of Preferred Network Change Option

### 1D.8.1 Network Changes

- (a) NBN Co will ensure that any Network Change is made by NBN Co in accordance with clauses 1D.8 to 1D.12 (which set out the procedure for the identification, selection, consultation and endorsement of a Network Change).

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- (b) Nothing in clauses 1D.8 to 1D.12 prevents NBN Co from:
- (i) introducing, varying or enhancing Products, Product Components or Product Features that do not require a Network Change, or which fall within the scope of, are identified within, or are contemplated by, the Network Design Rules or a Permitted Variation; or
  - (ii) terminating the process specified in clauses 1D.8 to 1D.12 where NBN Co decides not to proceed with a Network Change (including where the product development process is terminated under Schedule 1I (Product Development and Withdrawal)).

### 1D.8.2 Procedure for selection and publication of the Preferred Network Change Option

If NBN Co wishes to make a Network Change, NBN Co will:

- (a) identify and assess options for the implementation of the Network Change in accordance with the criteria set out in clause 1D.12 (**Network Change Options**);
- (b) select the Preferred Network Change Option in accordance with clause 1D.8.3;
- (c) prepare and publish the NBN Prudency Implementation Paper in accordance with clause 1D.8.4; and
- (d) seek to have the Preferred Network Change Option endorsed in accordance with clauses 1D.9 to 1D.12.

### 1D.8.3 Selection of Preferred Network Change Option

NBN Co will select the Network Change Option that NBN Co considers:

- (a) will maximise the Net Economic Benefit (compared to circumstances where no Network Change Option is implemented); or
- (b) if the Preferred Network Change Option is not the Network Change Option that maximises the Net Economic Benefit, is reasonable in the circumstances,

having regard to the interests of NBN Co, any Related Body Corporate of NBN Co, Access Seekers and End Users that acquire Carriage Services and Content Services supplied by means of the NBN Co Network (**Preferred Network Change Option**).

### 1D.8.4 Preparation and publication of NBN Prudency Implementation Paper

On completion of its selection of the Preferred Network Change Option, NBN Co will prepare a written report (**NBN Prudency Implementation Paper**) that provides a summary of:

- (a) the Network Change Options;
- (b) the Market Benefits associated with each Network Change Option;
- (c) the Network Change Costs associated with each Network Change Option, described as an estimated range of amounts, if appropriate;
- (d) NBN Co's Preferred Network Change Option, including if, and the extent to which, NBN Co's Preferred Network Change Option will maximise the Net Economic Benefit;
- (e) any changes required to the Network Design Rules if the Preferred Network Change Option is implemented; and



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- (f) to the extent the Preferred Network Change Option is not the Network Change Option that maximises the Net Economic Benefit:
- (i) NBN Co's assessment of any material difference between the Net Economic Benefit in respect of the Preferred Network Change Option and the Network Change Option that would maximise the Net Economic Benefit; and
  - (ii) the reasons for the selection of the Preferred Network Change Option.

Once finalised, NBN Co will publish the NBN Prudency Implementation Paper on an area of NBN Co's Website accessible by Access Seekers and Consumer Advocacy Groups and NBN Co will also provide the NBN Prudency Implementation Paper to the ACCC.

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## 1D.9 Network Changes: engagement and endorsement process

### 1D.9.1 Endorsement of the Preferred Network Change Option

- (a) Following publication of the NBN Prudency Implementation Paper, NBN Co will seek the endorsement of Access Seekers and Consumer Advocacy Groups in accordance with the engagement and endorsement process described in this clause 1D.9.
- (b) While the engagement and endorsement process described in this clause 1D.9 is distinct and separate from the product development process specified in Schedule 1I (Product Development and Withdrawal), the two processes may occur in parallel.

### 1D.9.2 Consultation with Access Seekers and Consumer Advocacy Groups

- (a) Following publication of the NBN Prudency Implementation Paper, NBN Co will invite Access Seekers and Consumer Advocacy Groups to make submissions in relation to the NBN Prudency Implementation Paper in accordance with a published timetable which will provide a reasonable period of time for consultations, having regard to the nature of the proposed Network Change (**Consultation Period**).
- (b) NBN Co may consult with Access Seekers and Consumer Advocacy Groups through workshops, formal written submissions and such other means as are contemplated in the PDF Processes.

### 1D.9.3 Updating the NBN Prudency Implementation Paper

On or following the date of the expiry of the Consultation Period, NBN Co will:

- (a) make available on NBN Co's Website all formal written submissions made by Access Seekers and Consumer Advocacy Groups in response to the NBN Prudency Implementation Paper and also provide these written submissions to the ACCC, subject in both cases to any confidentiality restrictions;
- (b) publish an updated NBN Prudency Implementation Paper containing such amendments as NBN Co considers reasonable, taking reasonable account of the submissions and representations made by Access Seekers and Consumer Advocacy Groups in response to the NBN Prudency Implementation Paper; and
- (c) notify Access Seekers and Consumer Advocacy Groups of the period of time (which must be at least 20 Business Days from the date of publication of the updated NBN Prudency Implementation Paper) within which an Access Seeker or Consumer Advocacy Group may notify NBN Co that it objects to the Preferred Network Change Option.

## 1D.10 Network Changes: Dispute resolution mechanism

### 1D.10.1 Notification by Access Seekers and Consumer Advocacy Groups of objection to Preferred Network Change Option

- (a) An Access Seeker may only object to NBN Co's Preferred Network Change Option within the timeframe determined in accordance with clause 1D.9.3(c).
- (b) An Access Seeker may object to NBN Co's Preferred Network Change Option in accordance with, and provided that it complies with, the following conditions:
  - (i) the Access Seeker must have participated in consultations in relation to the Network Change in accordance with clause 1D.9.2;
  - (ii) the Access Seeker must, or is likely to, be materially affected by the resolution of the matters that are the subject of the objection; and
  - (iii) the Access Seeker must have a reasonable basis for such an objection based on a material error by NBN Co in the application of the criteria in clause 1D.12 with regard to NBN Co's Preferred Network Change Option,

(together, the **Network Change Dispute Conditions**). If the Access Seeker satisfies the Network Change Dispute Conditions and wishes to object, the Access Seeker must provide written notification to NBN Co and other Access Seekers of the objection within the period of time notified by NBN Co under clause 1D.9.3(c) and set out detailed reasons for its objection, including a description of the manner(s) in which NBN Co has erred in the application of the criteria in clause 1D.12.

### 1D.10.2 Formation of a Network Change Dispute

- (a) If NBN Co wishes to proceed with the Preferred Network Change Option and NBN Co:
  - (i) has received notification of objections from one or more Access Seekers regarding the Preferred Network Change Option then NBN Co must, within 60 Business Days after the date of receipt of the first notice of objection from an Access Seeker:
    - (A) notify the ACCC of the objections lodged by the Access Seeker(s);
    - (B) provide to the ACCC copies of any documentation received from the Access Seeker(s) in connection with the objection; and
    - (C) provide the ACCC with NBN Co's response to those objections; or
  - (ii) has not received any notification of objections from Access Seekers regarding the Preferred Network Change Option, then the Preferred Network Change Option will be an Endorsed Network Change pursuant to clause 1D.11.1.
- (b) Within 5 Business Days after the date that the ACCC receives notification from NBN Co pursuant to clause 1D.10.2(a)(i)(A), the ACCC will determine, in respect of each Access Seeker referred to in such notification, whether:
  - (i) the Network Change Dispute Conditions have been satisfied by the Access Seeker, in which case the subject matter of the objection(s) will be deemed to be in dispute (**Network Change Dispute**) and NBN Co, the Access Seeker and the ACCC will proceed in accordance with the remainder of these clauses 1D.10 and 1D.11; or

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- (ii) the Network Change Dispute Conditions have not been satisfied by the Access Seeker, in which case, provided that no other Access Seeker has satisfied the Network Change Dispute Conditions such that a Network Change Dispute has arisen pursuant to clause 1D.10.2(b)(i), the Preferred Network Change Option will be an Endorsed Network Change pursuant to clause 1D.11.1.

### 1D.10.3 Access Seeker participation in, and scope of, the Network Change Dispute

- (a) Within 5 Business Days after the date that a Network Change Dispute has arisen pursuant to clause 1D.10.2(b)(i), the ACCC will invite, by way of notice on the ACCC website, other Access Seekers to apply to join the Network Change Dispute (except for Access Seekers that the ACCC has already determined have not satisfied the Network Change Dispute Conditions pursuant to clause 1D.10.2(b)(ii)).
- (b) Within 10 Business Days after the date on which the ACCC invites Access Seekers to join the Network Change Dispute, the ACCC will:
  - (i) make a decision to either accept or reject each application that the ACCC has received from an Access Seeker to join the Network Change Dispute, by reference to whether the ACCC considers that Access Seeker has satisfied the Network Change Dispute Conditions;
  - (ii) where the ACCC rejects an Access Seeker's application, provide that Access Seeker with reasons as to why the Access Seeker's application was rejected; and
  - (iii) publish on the ACCC website the details of the Access Seekers that it has determined may join the Network Change Dispute.
- (c) The scope of the Network Change Dispute will be determined by, and limited to, the specific issues in dispute between Access Seeker(s) and NBN Co, as determined by reference to the objections submitted by Access Seeker(s) who have joined the Network Change Dispute pursuant to clauses 1D.10.2(b) and 1D.10.3(b) (the **Network Change Dispute Participants**) and the relevant responses from NBN Co.
- (d) The ACCC may, by written notice to the relevant Network Change Dispute Participants and NBN Co:
  - (i) join separate Network Change Disputes together so that they constitute a single Network Change Dispute; or
  - (ii) divide a single Network Change Dispute into multiple Network Change Disputes,
 for the purposes of the efficient administration and resolution of those Network Change Disputes.

### 1D.10.4 Submissions regarding Network Change Dispute

The ACCC will provide NBN Co and the Network Change Dispute Participants with the opportunity to make written submissions in respect of the Network Change Dispute, provided that any consultation period is between 30 Business Days and 40 Business Days from the date that a Network Change Dispute has arisen pursuant to clause 1D.10.2(b)(i).

### 1D.10.5 Decision making criteria for Network Change Dispute

- (a) The ACCC must make a decision accepting or rejecting the Preferred Network Change Option (and thereby resolving the Network Change Dispute) by reference to the criteria referred to in clauses 1D.10.5(b) and 1D.10.5(c) and must notify NBN Co and the Network Change Dispute Participants

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of such decision within 50 Business Days after the final date on which submissions are provided to the ACCC under clause 1D.10.4.

- (b) If NBN Co has selected the Preferred Network Change Option that maximises the Net Economic Benefit relative to other Network Change Options (in accordance with clause 1D.8.3(a)), the ACCC must accept the Preferred Network Change Option unless the ACCC reasonably considers that:
- (i) an alternative Network Change Option would maximise the Net Economic Benefit and that Net Economic Benefit materially exceeds the Net Economic Benefit of the Preferred Network Change Option; or
  - (ii) a network change option that has not been considered by NBN Co in the NBN Prudency Implementation Paper (including the option of no network change) would maximise the Net Economic Benefit and that Net Economic Benefit materially exceeds the Net Economic Benefit of the Preferred Network Change Option and otherwise satisfies the criteria in clause 1D.12,

in which case, the ACCC may reject the Preferred Network Change Option.

- (c) If NBN Co has selected the Preferred Network Change Option that does not maximise the Net Economic Benefit relative to other Network Change Options but is reasonable in the circumstances in accordance with clause 1D.8.3(b), or the ACCC reasonably considers that an alternative Network Change Option would maximise the Net Economic Benefit and that Net Economic Benefit materially exceeds the Net Economic Benefit of the Preferred Network Change Option (in accordance with clause 1D.10.5(b)(i)), the ACCC will consider whether to accept or reject the Preferred Network Change Option having regard to whether:
- (i) the ACCC considers the Preferred Network Change Option satisfies the criteria in clause 1D.12; or
  - (ii) there is a greater economic benefit associated with the Preferred Network Change Option compared with the situation where no network change is implemented; or
  - (iii) the design scope of the Preferred Network Change Option is not materially different from that which a prudent operator in NBN Co's position would consider to be reasonable.

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## 1D.11 Endorsed Network Change

### 1D.11.1 Endorsement of the Preferred Network Change Option

- (a) The Preferred Network Change Option will be considered to be endorsed by the Access Seekers and Consumer Advocacy Groups and/or the ACCC (as applicable) where:
- (i) a Network Change Dispute has arisen and the ACCC makes a decision accepting the Preferred Network Change Option in accordance with clause 1D.10.5; or
  - (ii) no Access Seeker has satisfied the Network Change Dispute Conditions under clause 1D.10.2(b)(i) in respect of the Preferred Network Change Option,
- (each, an **Endorsed Network Change**).
- (b) NBN Co will, within 20 Business Days from the date of the Endorsed Network Change, publish the final NBN Prudency Implementation Paper in respect of that Endorsed Network Change on NBN Co's Website and notify Access Seekers and the ACCC of such publication.

### 1D.11.2 No endorsement of the Preferred Network Change Option

If the ACCC rejects the Preferred Network Change Option under clause 1D.10.5, then the Preferred Network Change Option will not be considered to be endorsed by the ACCC (and will therefore not satisfy the Prudent Design Condition for the purposes of a Network Change pursuant to clause 1D.6(c)).

### 1D.11.3 Alternative options to resolve Network Change Dispute

- (a) NBN Co may, at its discretion and at any time after the formation and/or resolution of a Network Change Dispute, undertake one of the following options as an alternative to the Network Change Dispute in respect of the Preferred Network Change Option:
  - (i) recommence the process under clause 1D.8.2 in respect of the Network Change or an amended version of the Network Change; or
  - (ii) not pursue the Network Change.
- (b) If NBN Co undertakes one of the options identified in clause 1D.11.3(a) as an alternative to a Network Change Dispute:
  - (i) NBN Co will notify Access Seekers and the ACCC of that fact; and
  - (ii) the Network Change Dispute will be withdrawn and the ACCC will cease all activities in relation to such Network Change Dispute from the date that NBN Co gives such notice.

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## 1D.12 Identification and assessment of Network Change Options

### 1D.12.1 Criteria for Network Change Options

- (a) Each Network Change Option must, in NBN Co's opinion:
  - (i) address the Identified Need;
  - (ii) be economically and technically feasible;
  - (iii) be implemented in sufficient time to meet the timelines identified by the PDF (if any) for the expected delivery of, and roadmap for, the new or varied Product, Product Component or Product Feature;
  - (iv) be a viable option to implement, having regard to:
    - (A) the Total Cost of Ownership associated with each of the Network Change Options;
    - (B) the economic life of the assets associated with each of the Network Change Options;
    - (C) the long term planning of the NBN Co Network, including the network upgrade pathway;
    - (D) the availability of infrastructure, capital (including both equity and debt) and scarce resources;
    - (E) investment practices of owners and operators of networks with similar characteristics to the NBN Co Network in international markets;
    - (F) the operational and technical complexity of each Network Change Option;

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- (G) operational and technical quality issues associated with each Network Change Option;
  - (H) the likely effect on demand of existing Products, Product Components or Product Features or the new or varied Products, Product Components or Product Features;
  - (I) resource and security requirements;
  - (J) the legal, policy, regulatory or administrative requirements applicable to NBN Co, including NBN Co's Non-Discrimination Obligations; and
  - (K) any other factor that NBN Co reasonably considers should be taken into account.
- (b) When assessing a Network Change Option, NBN Co must:
- (i) consider and identify market benefits that could be delivered by each Network Change Option in respect of the Identified Need, including:
    - (A) the likely effect on demand and Prices for existing Products, Product Components or Product Features and/or new or varied Products, Product Components or Product Features;
    - (B) the likely effect on the performance, functionality or features of existing Products, Product Components or Product Features and/or new or varied Products, Product Components or Product Features;
    - (C) cost effects, including:
      - changes in costs for Access Seekers and End Users;
      - changes in Capital Expenditure and/or Operating Expenditure; and
      - cost savings due to differences in the timing of investment;
    - (D) the promotion of competition in relevant markets; and
    - (E) any other value gained or foregone from implementing the Network Change Option with respect to the likely future investment needs of Access Seekers (where this value has not already been included in the other classes of market benefits),

(each a **Market Benefit**); and
  - (ii) consider and quantify, to the extent possible, the classes of Market Benefits, unless NBN Co can identify why:
    - (A) a particular class of Market Benefit is likely not to materially affect the outcome of the assessment of the Network Change Options; or
    - (B) the estimated cost of undertaking the analysis to quantify the Market Benefits is likely to be disproportionate to the scale, size and potential benefits of each Network Change Option identified by NBN Co; and
  - (iii) consider and estimate the following classes of costs associated with each Network Change Option:
    - (A) Capital Expenditure;
    - (B) Operating Expenditure; and

## Schedule 1D (Regulatory Asset Base)

- (C) cost of complying with legal, policy, regulatory or administrative requirements, (each a **Network Change Cost**) by reference to the net present value of the direct costs of each Network Change Option (and the effect that these costs will have on NBN Co's Prices). In estimating the classes of cost pursuant to this clause, NBN Co is not required to separately quantify each class of cost.
- (c) When making an assessment under clause 1D.12.1(b), NBN Co must ensure that it:
- (i) does not include any cost or benefit that cannot be considered to be measured as a Network Change Cost or Market Benefit to NBN Co or any Related Body Corporate of NBN Co, Access Seekers or End Users;
  - (ii) identifies the method or methods permitted for estimating the magnitude of the different classes of Market Benefits and Network Change Costs;
  - (iii) identifies the appropriate method and value for specific inputs, where relevant, for determining the discount rate or rates to be applied;
  - (iv) includes sensitivity analysis in respect of any modelling that forms part of the analysis, having regard to:
    - (A) the risks associated with any Market Benefits not being achieved, or being greater than estimated, or any costs being greater or less than quantified; and
    - (B) the degree of certainty associated with the Market Benefits and Network Change Costs taken into account by NBN Co;
  - (v) includes an assessment of reasonable scenarios of future supply and demand if each Network Change Option were implemented compared to the situation where no option is implemented; and
  - (vi) does not, in calculating the Market Benefits associated with each Network Change Option:
    - (A) include the classes of Network Change Costs referred to in clause 1D.12.1(b)(iii); or
    - (B) include the benefits arising from the promotion of competition in relevant markets or any additional value where they have already been accounted for as Market Benefits.
- (d) In performing its assessment of the Network Change Options under this clause 1D.12.1, NBN Co will only be required to apply a level of analysis that is proportionate to the scope and size of the required Network Change.

## Schedule 1E Long Term Revenue Constraint Methodology

### 1E.1 General

#### 1E.1.1 Scope

This Schedule 1E applies for the Initial Regulatory Period.

#### 1E.1.2 LTRCM Determination

(a) The ACCC will issue a determination (**LTRCM Determination**) in respect of:

- (i) for each Financial Year in the Initial Regulatory Period, the ABBRR and the RAB;
- (ii) for each Financial Year of the Initial Regulatory Period in the Initial Cost Recovery Period (including the First Financial Year), the ICRA;

~~(iii) for each Financial Year of the Building Block Revenue Period, the Regulated Revenue and Revenue Variation,~~

including the values of the inputs to each of those values, in accordance with Schedule 1D (Regulatory Asset Base) and this Schedule 1E.

(b) The ACCC must issue an LTRCM Determination for each Financial Year in the Initial Regulatory Period (including the First Financial Year) no later than 12 months after the end of the Financial Year to which that LTRCM Determination relates.

(c) In issuing an LTRCM Determination in respect of a Financial Year that is on or after the Second SAU Variation Date, the ACCC must apply the amended formula in clause 1E.8.4(c) as if that formula had applied to LTRCM Determinations issued prior to the Second SAU Variation Date.

~~(e)~~(d) In issuing an LTRCM Determination in respect of a Financial Year, the ACCC:

- (i) must have regard to the information supplied by NBN Co to the ACCC under Schedule 1F (Regulatory Information);
- (ii) must consult with NBN Co if the ACCC intends, as part of an LTRCM Determination, to determine any values that are different to the values submitted by NBN Co to the ACCC under Schedule 1F (Regulatory Information), and must consider any submissions that are received from NBN Co within the time limit specified by the ACCC for the making of those submissions;
- (iii) may consult with such other persons as the ACCC considers appropriate in relation to the LTRCM Determination and must consider any submissions that are received within the time limit specified by the ACCC for the making of those submissions;
- (iv) may determine values for the ABBRR, RAB, ICRA, ~~Regulated Revenue, Revenue Variation~~ and/or the values of the inputs to those values, that are different from the values submitted by NBN Co to the ACCC under Schedule 1F (Regulatory Information), provided those values are determined in accordance with Schedule 1D (Regulatory Asset Base) and this Schedule 1E;
- (v) subject to clause 1E.1.2(e), must publish on its website the LTRCM Determination and its reasons for the LTRCM Determination, including:



## Schedule 1E (Long Term Revenue Constraint Methodology)

- (A) the values adopted by the ACCC for each of the input variables in any calculations and formulae;
  - (B) whether those values have been taken or derived from the information provided by NBN Co under Schedule 1F (Regulatory Information) and, if not, the rationale for the adoption of those values;
  - (C) the details of any assumptions made by the ACCC in undertaking any material qualitative or quantitative analysis for the purposes of the LTRCM Determination; and
  - (D) the reasons for making any decisions, or withholding any approvals, and the exercise of any discretion, as referred to in Schedule 1D (Regulatory Asset Base) and this Schedule 1E, for the purposes of the LTRCM Determination;
- (vi) must, prior to publishing the LTRCM Determination under clause 1E.1.2(d)(v):
- (A) publish on its website a draft LTRCM Determination and its reasons for the draft LTRCM Determination, including the matters specified in clause 1E.1.2(d)(v); and
  - (B) consult with NBN Co and other such persons as the ACCC considers appropriate on the draft LTRCM Determination and must consider any submissions that are received within the time limit specified by the ACCC; and
- (vii) must, within 40 Business Days of NBN Co submitting the Regulatory Information required under Schedule 1F (Regulatory Information), notify NBN Co of the ACCC's preliminary view of the extent to which, if any, the ACCC intends to determine a substitute amount of Capital Expenditure in accordance with clause 1D.3.2(d) or a substitute amount of Operating Expenditure in accordance with clause [1E.7.2\(c\)](#)~~1E.8.2(e)~~, as the case may be; and

~~(d)~~[\(e\)](#) The ACCC must only disclose the confidential information of NBN Co in connection with an LTRCM Determination (and the processes contemplated under this clause 1E.1.2) in accordance with the ACCC's confidentiality procedures, or as otherwise required or permitted by law.

### **1E.1.3 Amendment or revocation of LTRCM Determination for wrong information or error**

- (a) The ACCC may (but is not required to) amend or revoke an LTRCM Determination no later than 12 months after the date of such a LTRCM Determination if the ACCC considers that there is a material error or deficiency in the LTRCM Determination of one or more of the following kinds:
- (i) a clerical error or an accidental omission;
  - (ii) a miscalculation or a misdescription;
  - (iii) a defect in form; or
  - (iv) a deficiency resulting from the provision of false or materially misleading information to the ACCC.
- (b) If the ACCC revokes an LTRCM Determination under this clause 1E.1.3, the ACCC must make a new LTRCM Determination in substitution for the revoked LTRCM Determination to apply for the Financial Year in respect of which the revoked LTRCM Determination was to apply.
- (c) If the ACCC revokes and substitutes an LTRCM Determination under clauses 1E.1.3(a) and 1E.1.3(b), the substituted LTRCM Determination must only vary from the revoked LTRCM Determination to the extent necessary to correct the relevant error or deficiency.

## Schedule 1E (Long Term Revenue Constraint Methodology)

- (d) The ACCC may only revoke and substitute an LTRCM Determination under this clause 1E.1.3 if the ACCC has first consulted with NBN Co and such other persons as the ACCC considers appropriate.

## 1E.2 Initial Cost Recovery Period

### 1E.2.1 Initial Cost Recovery Period

- (a) The RAB will be determined by reference to Capital Expenditure in accordance with Schedule 1D (Regulatory Asset Base).
- (b) The ABBRR will be determined by the ACCC by reference to:
- (i) the RAB, which determines:
    - (A) a return on capital; and
    - (B) a return of capital;
  - (ii) Operating Expenditure that meets the requirements of clause ~~1E.7~~1E.8;
  - (iii) tax allowances; and
  - (iv) the ACIPA,
- in accordance with Schedule 1D (Regulatory Asset Base) and this Schedule 1E.
- (c) Any shortfall in Revenues relative to the ABBRR in any given Financial Year will be capitalised in an ICRA ~~and subsequently recovered in later Financial Years of the Initial Cost Recovery Period in accordance with this Schedule 1E.~~

### 1E.2.2 Inclusion of Initial Operating Expenditure and Revenue

NBN Co will include:

- (a) pursuant to clause ~~1E.7.2(a)(ii)~~1E.8.2(a)(ii), all Operating Expenditure incurred; and
- (b) Revenue earned,

between the Cost Commencement Date and the SAU Commencement Date within the ABBRR and ICRA as described in this Schedule 1E.

### ~~1E.2.3 Transition from Initial Cost Recovery Period to Building Block Revenue Period when the ICRA is extinguished~~

- ~~(a) If the Methodology Change Event occurs during the Initial Regulatory Period:
 
  - ~~(i) the Initial Cost Recovery Period will cease at the end of the Financial Year in which the Methodology Change Event occurs; and~~
  - ~~(ii) the Building Block Revenue Period will commence at the beginning of the Financial Year immediately following the Financial Year in which the Methodology Change Event occurs.~~~~
- ~~(b) In the last Financial Year of the Initial Cost Recovery Period, any Revenues earned in excess of that required to recover the ICRA will be deducted from Revenues able to be earned in the first Financial Year of the Building Block Revenue Period.~~

**1E.2.4 — Methodology during Building Block Revenue Period**

If the Methodology Change Event occurs during the Initial Regulatory Period, then, in accordance with the transitional arrangements in clause 1E.2.3, NBN Co will determine the Prices for all existing and new NBN Offers and Other Charges supplied by NBN Co, in a manner that is consistent with the requirements of the Building Block Revenue Period, namely:

- (a) the RAB will be determined by reference to Capital Expenditure that meets the requirements of clause 1D.3;
- (b) the Regulated Revenue in any given Financial Year will be determined by reference to the ABBRR in that Financial Year in accordance with clause 1E.6.1;
- (c) subject to the requirements of Schedule 1C (NBN Offers and Other Charges), NBN Offers and Other Charges will be priced so that the forecast value of nominal Revenue in any given Financial Year in the Building Block Revenue Period does not exceed the forecast value of Regulated Revenue for that Financial Year; and
- (d) any variation between actual Revenues and Regulated Revenues in a Financial Year of the Building Block Revenue Period will be carried forward in the calculation of Regulated Revenue for subsequent Financial Years in accordance with clause 1E.6.

**1E.2.5 — Likely Methodology Change Event Notice**

- (a) NBN Co will use reasonable endeavours to issue a Likely Methodology Change Event Notice to Access Seekers and the ACCC on or around 5 years prior to the date that NBN Co expects the Methodology Change Event will occur (irrespective of whether the date that NBN Co expects the Methodology Change Event to occur is in the Initial Regulatory Period).
- (b) NBN Co will issue an updated Likely Methodology Change Event Notice to Access Seekers and the ACCC each year following any previous Likely Methodology Change Event Notice until the Methodology Change Event has occurred.

**1E.2.6 — Pricing Intention Statement**

- (a) NBN Co will use reasonable endeavours to issue a Pricing Intention Statement to Access Seekers and the ACCC on or around 3 years prior to the date that NBN Co expects the Methodology Change Event will occur (irrespective of whether the date that NBN Co expects the Methodology Change Event to occur is in the Initial Regulatory Period).
- (b) The Pricing Intention Statement will include the following:
  - (i) the forecast average Price change, averaged across all NBN Offers and Other Charges, in the Financial Year immediately following the Financial Year in which NBN Co expects the Methodology Change Event to occur;
  - (ii) NBN Co's estimate of how the forecast average Price change in clause 1E.2.6(b)(i) will impact on the individual Price of each NBN Offer and Other Charge;
  - (iii) any transitional arrangements that NBN Co intends to apply in relation to changes in individual Prices; and
  - (iv) a description, in qualitative terms, of how NBN Co has determined the estimated individual Prices and transitional arrangements.

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~~(c) NBN Co will issue an updated Pricing Intention Statement to Access Seekers and the ACCC each year following any previous Pricing Intention Statement until the Methodology Change Event has occurred.~~

~~(d) NBN Co will publish each Pricing Intention Statement on NBN Co's Website for access by Access Seekers.~~

## 1E.3 Designation of Financial Years

The First Financial Year will be designated as year  $t = 1$  in all calculations under this Schedule 1E. The Financial Year immediately prior to the First Financial Year will be designated as year  $t = 0$ , with negative numbers being used for any Financial Year prior to that Financial Year (e.g. the Financial Year 2 years prior to the First Financial Year will be year  $t = -1$ ). The Financial Year immediately after the First Financial Year will be year  $t = 2$ , and so on.

## 1E.4 Annual Building Block Revenue Requirement

### 1E.4.1 Calculation of ABBRR

The ABBRR is to be calculated according to the following methodology:

$$ABBRR_t = R_t^{nominal} * Nominal RAB_t^{start} + Nominal Regulatory Depreciation_t + Nominal Opex_t + Net Tax Allowance_t + Annual Construction in Progress Allowance_t$$

where:

$R_t^{nominal}$  is the nominal rate of return determined in accordance with clause ~~1E.6.1(a)~~ ~~1E.7.1(a)~~.

$Nominal RAB_t^{start}$  is the nominal value of the RAB at the start of Financial Year ( $t$ ).

$Nominal Regulatory Depreciation_t$  is the Nominal Regulatory Depreciation in Financial Year ( $t$ ), calculated in accordance with clause ~~1E.8.1(c)~~ ~~1E.9.1(c)~~.

$Nominal Opex_t$  is the nominal value of the Operating Expenditure for Financial Year ( $t$ ) that is to be included in the ABBRR in accordance with clause ~~1E.7~~ ~~1E.8~~.

$Net Tax Allowance_t$  is the net regulatory tax required to be paid by NBN Co in Financial Year ( $t$ ), determined in accordance with clause ~~1E.8.3~~ ~~1E.9.3~~.

$Annual Construction in Progress Allowance_t$  is the ACIPA in Financial Year ( $t$ ), determined in accordance with clause ~~1E.9~~ ~~1E.10~~.

## 1E.5 Initial Cost Recovery Account

### 1E.5.1 Unrecovered Cost

(a) During the Initial Cost Recovery Period, the Unrecovered Cost for each Financial Year ( $t$ ) is:

$$Unrecovered Cost_t = ABBRR_t - Nominal Revenue_t$$

where:

$ABBRR_t$  is the nominal Annual Building Block Revenue Requirement calculated in accordance with clause 1E.4.

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$Nominal\ Revenue_t$  is the Revenue earned in Financial Year ( $t$ ). This Revenue is measured in the nominal dollar value of Financial Year ( $t$ ).

- (b) The Unrecovered Cost can be either a positive value (when nominal Revenues are less than the ABBRR) or a negative value (when nominal Revenues exceed the ABBRR).

### 1E.5.2 Initial Cost Recovery Account

During the Initial Cost Recovery Period, the ICRA is:

- (a) as at the Cost Commencement Date, zero; and  
 (b) for each Financial Year of the remainder of the Initial Cost Recovery Period:

$$\begin{aligned} ICRA_{t+1}^{start} &= ICRA_t^{end} \\ &= ICRA_t^{start} * (1 + R_t^{nominal}) + Unrecovered\ Cost_t \end{aligned}$$

where:

$ICRA_{t+1}^{start}$  is the ICRA at the start of Financial Year ( $t+1$ ).

$ICRA_t^{end}$  is the ICRA at the end of Financial Year ( $t$ ).

$ICRA_t^{start}$  is the ICRA at the start of Financial Year ( $t$ ).

$R_t^{nominal}$  is the nominal rate of return for Financial Year ( $t$ ), as determined in accordance with clause [1E.6.1\(a\)](#)~~1E.7.1(a)~~.

$Unrecovered\ Cost_t$  is the Unrecovered Cost <sub>$t$</sub>  calculated in accordance with clause 1E.5.1.

### ~~1E.5.3 Carry Forward Revenue Adjustment~~

- ~~(a) At the end of the final Financial Year of the Initial Cost Recovery Period ( $t$ ), the balance of the Unrecovered Cost that has not been applied to the ICRA in accordance with clause 1E.5.2 will be the Carry Forward Revenue Adjustment. That is:~~

~~$$\begin{aligned} Carry\ Forward\ Revenue\ Adjustment_t &= Unrecovered\ Cost_t + \\ &ICRA_t^{start} * (1 + R_t^{nominal}) \end{aligned}$$~~

- ~~(b) The Carry Forward Revenue Adjustment will be applied to the calculation of Regulated Revenue in the first Financial Year of the Building Block Revenue Period, as described in clause 1E.6.1.~~  
~~(c) For clarity, the Carry Forward Revenue Adjustment will have a negative or zero value.~~

## ~~1E.6 Building Block Revenue Period~~

### ~~1E.6.1 Calculation of Regulated Revenue~~

~~During the Building Block Revenue Period, the annual Regulated Revenue ( $RR$ ) in Financial Year ( $t$ ) is:~~

- ~~(a) in the first Financial Year of the Building Block Revenue Period:~~

~~$$RR_t = ABBRR_t + CFRA_{t-1} * (1 + R_t^{nominal})$$~~

- ~~(b) in all other Financial Years:~~

## Schedule 1E (Long Term Revenue Constraint Methodology)

$$RR_t = ABBRR_t + RV_{t-1} * (1 + R_t^{nominal})$$

where:

$ABRR_t$  is the nominal  $ABRR$  in the Financial Year ( $t$ ), as determined in accordance with clause [1E.4.1](#).

$RV_{t-1}$  is the Revenue Variation from the immediately preceding Financial Year ( $t-1$ ), as determined in accordance with clause [1E.6.2](#).

$CFRA_{t-1}$  is the Carry Forward Revenue Adjustment from the final Financial Year ( $t-1$ ) of the Initial Cost Recovery Period, as determined in accordance with clause [1E.5.3](#).

$R_t^{nominal}$  is the nominal rate of return for the current Financial Year ( $t$ ), as determined in accordance with clause [1E.7.1\(a\)](#).

### ~~1E.6.2~~ Revenue Variation

(a) The Revenue Variation in each Financial Year ( $t$ ) of the Building Block Revenue Period is:

~~$$Revenue\ Variation_t = RR_t - Nominal\ Revenue_t$$~~

where:

$RR_t$  is the Regulated Revenue in Financial Year ( $t$ ).

$Nominal\ Revenue_t$  is the Revenue earned in the Financial Year ( $t$ ). This Revenue is measured in the nominal dollar value of Financial Year ( $t$ ).

(b) This Revenue Variation calculated for Financial Year ( $t$ ) will be applied to the Regulated Revenue that is established for Financial Year ( $t+1$ ).

## ~~1E.7~~[1E.6](#) Cost of Capital

### ~~1E.7.1~~[1E.6.1](#) Rate of return calculation

(a) The nominal rate of return will be determined using the following formula:

$$R_t^{nominal} = r_f + 3.50\%$$

where:

$r_f$  is the risk-free rate of interest determined for Financial Year ( $t$ ) in accordance with clause [1E.6.1\(b\)](#)~~1E.7.1(b)~~.

(b) The risk free rate of interest ( $r_f$ ) applied to a Financial Year will be calculated on a moving average basis from the mean annualised yield on Commonwealth Government securities with a maturity of 10 years, averaged over the final 20 Business Days of the preceding Financial Year and using the indicative mid rates published by the Reserve Bank of Australia.

(c) If there are no Commonwealth Government securities with a maturity of 10 years on a day in the period referred to in clause [1E.6.1\(b\)](#)~~1E.7.1(b)~~, the annualised yield to be used for that day will be calculated by interpolating on a straight line basis from the two Commonwealth Government securities closest to the 10 year term and which also straddle the 10 year expiry date.

(d) The real rate of return will be determined using the following formula:

## Schedule 1E (Long Term Revenue Constraint Methodology)

$$R_t^{real} = \frac{1 + R_t^{nominal}}{1 + CPI_t^{June}} - 1$$

where:

$R_t^{real}$  is the real rate of return for the current Financial Year ( $t$ ).

$R_t^{nominal}$  is the nominal rate of return for the current Financial Year ( $t$ ), as determined in accordance with clause [1E.6.1\(a\)](#)~~1E.7.1(a)~~.

$CPI_t^{June}$  means the June Quarter CPI for Financial Year ( $t$ ).

- (e) For any Financial Years preceding the First Financial Year, the same approach to calculating the rate of return set out in clause [1E.6.1\(a\)](#)~~1E.7.1(a)~~ will apply, using the risk-free rate of interest relevant for those Financial Years determined in accordance with clause [1E.6.1\(b\)](#)~~1E.7.1(b)~~. The real rate of return will continue to be calculated in accordance with clause [1E.6.1\(d\)](#)~~1E.7.1(d)~~.

## ~~1E.8~~[1E.7](#) Operating Expenditure

### ~~1E.8.1~~[1E.7.1](#) Inclusion of Operating Expenditure in the ABBRR

For the purposes of calculating the ABBRR pursuant to clause 1E.4, Operating Expenditure incurred in a Financial Year may only be included in the ABBRR in accordance with this clause [1E.7](#)~~1E.8~~.

### ~~1E.8.2~~[1E.7.2](#) Conditions for including Operating Expenditure in the ABBRR

- (a) Operating Expenditure incurred in a Financial Year may be included in the ABBRR to the extent that the ACCC is satisfied:
- (i) of one of the matters specified in clause [1E.7.3](#)~~1E.8.3~~ in respect of that Operating Expenditure; or
  - (ii) that the Operating Expenditure was incurred between the Cost Commencement Date and the SAU Commencement Date or was incurred in connection with any of the following matters:
    - (A) the NBN Co Interim Satellite Network;
    - (B) the Interim Transit Arrangements;
    - (C) the Tasmania Tri-Area Service Arrangements;
    - (D) the First Release Trial Sites;
    - (E) the Telstra Arrangements;
    - (F) the Optus Arrangements;
    - (G) Third Party Funded Network Changes;
    - (H) the variation, change, augmentation or enhancement of the design, engineering or construction of the Relevant Assets that is required to address an urgent and unforeseen network issue as contemplated by clause 1D.7.2(a)(ix); or
    - (I) a Force Majeure Event.

## Schedule 1E (Long Term Revenue Constraint Methodology)

- (b) If, in respect of any part of the Operating Expenditure incurred in a Financial Year, the ACCC is not satisfied of one of the matters specified in clause ~~1E.7.2(a)~~~~1E.8.2(a)~~, that part (and only that part) of the Operating Expenditure must not be included in the ABBRR and, in making an LTRCM Determination pursuant to clause 1E.1.2, the ACCC must determine an amount of Operating Expenditure that is to be included in the ABBRR in substitution for that part of the Operating Expenditure for that Financial Year in accordance with clause ~~1E.7.2(c)~~~~1E.8.2(c)~~.
- (c) A substitute amount of Operating Expenditure for a Financial Year under clause ~~1E.7.2(b)~~~~1E.8.2(b)~~ must be an amount of Operating Expenditure that the ACCC is satisfied is consistent with Operating Expenditure that has been included in the ABBRR in respect of any prior Financial Year, having regard to:
- (i) the relative amounts of the Operating Expenditure incurred in those Financial Years;
  - (ii) the relative cost of relevant goods or services in those Financial Years;
  - (iii) any relevant differences in the scale and scope of the Relevant Assets and the scale and scope of the activities in connection with which the Operating Expenditure was incurred in those Financial Years;
  - (iv) the NBN Co Corporate Plan applicable at the time the Operating Expenditure was incurred; and
  - (v) any other matter the ACCC considers relevant.

~~1E.8.3~~~~1E.7.3~~ **Matters concerning the inclusion of Operating Expenditure in the ABBRR**

- (a) Operating Expenditure incurred in a Financial Year will be included in the ABBRR for the purposes of clause ~~1E.7.2(a)(i)~~~~1E.8.2(a)(i)~~:
- (i) to the extent that the ACCC is satisfied that:
    - (A) the Operating Expenditure was incurred pursuant to a Conforming Contract as initially entered into or as varied in accordance with the process of contract variations set out in that contract; and
    - (B) if the Operating Expenditure was incurred in connection with the design, engineering and construction of the Relevant Assets pursuant to a Conforming Contract and if a Material Change in Circumstances affecting the Conforming Contract occurred between the time that the Conforming Contract was initially entered into or last varied (as the case may be) and the time the Operating Expenditure was incurred, and the varied, changed or enhanced design, engineering and construction of the Relevant Assets falls outside the scope of that Conforming Contract, NBN Co had considered whether the Conforming Contract should be varied or further varied or whether a new Conforming Contract with the same Third Party or another Third Party should be entered into before incurring that Operating Expenditure; or
  - (ii) to the extent that the ACCC is satisfied that the Operating Expenditure was in respect of a good or service procured in an open and competitive market (e.g. a commodity market); or
  - (iii) to the extent that the ACCC is satisfied that the Operating Expenditure was not incurred pursuant to a contract entered into with a Third Party but was incurred in a manner that is likely to achieve value for money and the lowest Total Cost of Ownership.
- (b) In this clause ~~1E.7.3~~~~1E.8.3~~, a **Conforming Contract** is a contract entered into by NBN Co, or any Related Body Corporate of NBN Co, with a Third Party that:



## Schedule 1E (Long Term Revenue Constraint Methodology)

- (i) was:
  - (A) let in accordance with a competitive tendering and procurement process;
  - (B) in respect of the procurement of a good or service for which there was only one potential supplier because there were no reasonable alternatives or substitutes;
  - (C) entered into on arm's length terms in circumstances where it was reasonable to do so having regard to whether there were alternative or substitute suppliers and the terms and conditions (including price) available from those alternative or substitute suppliers; or
  - (D) entered into in exceptional circumstances, because it was either not desirable or not practicable for NBN Co to enter into a contract of the kind referred to in clauses [1E.7.3\(b\)\(i\)\(A\)](#)~~1E.8.3(b)(i)(A)~~, [1E.7.3\(b\)\(i\)\(B\)](#)~~1E.8.3(b)(i)(B)~~ or [1E.7.3\(b\)\(i\)\(C\)](#)~~1E.8.3(b)(i)(C)~~; and
- (ii) if the contract is of the kind referred to in clauses [1E.7.3\(b\)\(i\)\(A\)](#)~~1E.8.3(b)(i)(A)~~, [1E.7.3\(b\)\(i\)\(B\)](#)~~1E.8.3(b)(i)(B)~~ or [1E.7.3\(b\)\(i\)\(C\)](#)~~1E.8.3(b)(i)(C)~~, includes a process for the management of the Operating Expenditure through a process of contract variations which provides:
  - (A) that reasonable consideration be given to managing the risk of such contract variations; and
  - (B) for the provision of clear documentary evidence regarding the nature and reasonableness of any such contract variations.
- (c) For the purposes of this clause [1E.7.3](#)~~1E.8.3~~, a **Material Change in Circumstances** occurs if:
  - (i) there is a variation, change or enhancement to the design, engineering and construction of the Relevant Assets; and
  - (ii) the estimated Operating Expenditure associated with the implementation of that variation, change or enhancement of the Relevant Assets exceeds or is expected to exceed the Minor Expenditure Limit.

**~~1E.8.4~~1E.7.4 Operating Expenditure factors**

- (a) In deciding whether Operating Expenditure incurred in a Financial Year meets the requirement specified in clause [1E.7.3\(b\)\(i\)\(A\)](#)~~1E.8.3(b)(i)(A)~~, the ACCC must have regard to:
  - (i) whether the contract pursuant to which the Operating Expenditure was incurred was entered into in accordance with NBN Co's procurement processes, including in accordance with the Procurement Rules; and
  - (ii) any other factor the ACCC considers relevant.
- (b) In determining whether exceptional circumstances exist for the purposes of clause [1E.7.3\(b\)\(i\)\(D\)](#)~~1E.8.3(b)(i)(D)~~, the ACCC must have regard to:
  - (i) the extent to which the Operating Expenditure was incurred on exceptionally advantageous terms;
  - (ii) the extent to which the Operating Expenditure was procured in a manner required or rendered desirable by a legal, policy, regulatory or administrative requirement, or a requirement of the Shareholder Ministers;

## Schedule 1E (Long Term Revenue Constraint Methodology)

- (iii) the extent to which it was in the best interests of NBN Co, or any Related Body Corporate of NBN Co, to incur the Operating Expenditure with the particular supplier with which the Operating Expenditure was incurred or in the particular circumstances in which the Operating Expenditure was procured having regard to the lifetime cost of acquisition and operation of the Relevant Assets involved;
- (iv) the extent to which the Operating Expenditure was incurred in a manner that seeks to achieve value for money and the lowest Total Cost of Ownership; and
- (v) any other factor the ACCC considers relevant.

## ~~1E.9.1~~ 1E.8 Treatment of Taxation and Depreciation

### ~~1E.9.1~~ 1E.8.1 Regulatory Depreciation

For the purposes of calculating the regulatory depreciation allowance in the calculation of the RAB in any Financial Year:

- (a) The Real Straight Line Depreciation is the sum of the straight line depreciation of the real Capital Expenditure value of each Asset Type incurred prior to the relevant Financial Year, using asset lifetimes for each Asset Type determined in a manner consistent with NBN Co's audited accounts, to the extent the ACCC is satisfied this is reasonable. That is, for each Asset Type, the annual Asset Real Straight Line Depreciation in Financial Year ( $t$ ) is:

$$\begin{aligned} \text{Asset Real Straight Line Depreciation}_{i,t} \\ = \sum_{k=1}^{t-1} \text{Asset Vintage Real Straight Line Depreciation}_{i,k,t} \end{aligned}$$

where:

$$\text{Asset Vintage Real Straight Line Depreciation}_{i,k,t} =$$

if  $L_{i,t}$  is undefined because the Asset Type is non-depreciable then 0;

else if  $L_{i,t} \geq t - k$ , then

$$\frac{\text{Net Real Capex}_{i,k} - \sum_{l=1}^{t-1} \text{Asset Vintage Real Straight Line Depreciation}_{i,k,l}}{L_{i,t} + 1 - (t - k)}$$

else if  $L_{i,t} < t - k$ , then

$$\text{Net Real Capex}_{i,k} - \sum_{l=1}^{t-1} \text{Asset Vintage Real Straight Line Depreciation}_{i,k,l}$$

where:

$i$  is the Asset Type.

## Schedule 1E (Long Term Revenue Constraint Methodology)

$L_{i,t}$  is the asset lifetime of the Asset Type in Financial Year ( $t$ ).

$$\text{Net Real Capex}_{i,k} = \text{Real Capex}_{i,k} - \text{Real Disposals}_{i,k}$$

where:

*Real Capex<sub>i,k</sub>* is the real value of actual Capital Expenditure that meets the requirements of clause 1D.3 incurred in connection with the design, engineering, construction, replacement and augmentation of Asset Type  $i$  in Financial Year ( $k$ ). Capital Expenditure is recognised at the time the Relevant Asset is Placed in Service.

*Real Disposals<sub>i,k</sub>* is the real value of Disposals of Asset Type  $i$  removed from service in Financial Year ( $k$ ).

Hence, Real Straight Line Depreciation for a Financial Year ( $t$ ) is the sum of the Asset Real Straight Line Depreciation values for each Asset Type.

$$\text{Real Straight Line Depreciation}_t = \sum_{i=1}^N \text{Asset Real Straight Line Depreciation}_{i,t}$$

where:

$N$  is the number of Asset Types.

*Asset Real Straight Line Depreciation<sub>i,t</sub>* is the real value of the straight line depreciation of the Asset Type  $i$  in Financial Year ( $t$ ).

- (b) The Nominal Straight Line Depreciation is the nominal value of the Real Straight Line Depreciation calculated in accordance with clause [1E.8.1\(a\)](#) ~~1E.9.1(a)~~.

That is:

$$\text{Nominal Straight Line Depreciation}_t = \text{Real Straight Line Depreciation}_t * \text{CIF}_t$$

where:

$\text{CIF}_t$  is the Cumulative Inflation Factor as defined in clause [1E.8.4\(b\)](#) ~~1E.9.4(b)~~.

- (c) The Nominal Regulatory Depreciation is the difference between the Nominal Straight Line Depreciation and the change in value of the nominal RAB due to inflation:

$$\begin{aligned} \text{Nominal Regulatory Depreciation}_t \\ = \text{Nominal Straight Line Depreciation}_t - \text{CPI}_t^{\text{June}} * \text{Nominal RAB}_{t-1}^{\text{end}} \end{aligned}$$

## ~~1E.9.2~~ [1E.8.2](#) Nominal Tax Depreciation

For the purposes of calculating the tax depreciation used in the calculation of the Net Tax Allowance in any Financial Year:

- (a) the Nominal Tax Depreciation is the sum of the straight line depreciation of the nominal Capital Expenditure value of each Asset Type Placed in Service prior to the relevant Financial Year, using taxation asset lifetimes for each Asset Type determined in a manner consistent with the requirements of the Australian Taxation Office. The nominal Capital Expenditure value used is not

## Schedule 1E (Long Term Revenue Constraint Methodology)

adjusted to reflect the timing of actual Capital Expenditure. That is, for each Asset Type, the annual Asset Nominal Tax Depreciation in Financial Year ( $t$ ) is:

$$\begin{aligned} & \text{Asset Nominal Tax Depreciation}_{i,t} \\ &= \sum_{k=1}^{t-1} \text{Asset Vintage Nominal Straight Line Tax Depreciation}_{i,k,t} \end{aligned}$$

where:

$$\text{Asset Vintage Nominal Straight Line Tax Depreciation}_{i,k,t} =$$

if  $TL_{i,t}$  is undefined because the Asset Type is non-depreciable, then 0;

else if  $TL_{i,t} \geq t-k$ , then

$$\frac{\text{Net Nominal Capex}_{i,k} - \sum_{l=1}^{t-1} \text{Asset Vintage Nominal Straight Line Tax Depreciation}_{i,k,l}}{TL_{i,t} + 1 - (t - k)}$$

else if  $TL_{i,t} < t-k$ , then

$$\text{Net Nominal Capex}_{i,k} - \sum_{l=1}^{t-1} \text{Asset Vintage Nominal Straight Line Tax Depreciation}_{i,k,l}$$

where:

$i$  is the Asset Type.

$TL_{i,t}$  is the taxation asset lifetime of the Asset Type  $i$  in Financial Year ( $t$ ).

$\text{Net Nominal Capex}_{i,k}$  is the nominal value of the net capital investment actually incurred in Financial Year ( $k$ ) for Asset Type  $i$  (i.e. Capital Expenditure less Disposals):

$$\text{Net Nominal Capex}_{i,k} = ( \text{Nominal Capex}_{i,k} - \text{Nominal Disposals}_{i,k} )$$

where:

$\text{Nominal Capex}_{i,k}$  is the nominal value of actual Capital Expenditure incurred in connection with the design, engineering, construction, replacement and augmentation of Asset Type  $i$  in Financial Year ( $k$ ) that meets the requirements of clause 1D.3. Capital Expenditure is recognised at the time the asset is Placed in Service.

$\text{Nominal Disposals}_{i,k}$  is the nominal value of Disposals of Asset Type  $i$  removed from service in Financial Year ( $k$ ).

Hence, the Nominal Tax Depreciation for any Financial Year ( $t$ ) is the sum of all the Asset Nominal Tax Depreciation values for each Asset Type.

$$\text{Nominal Tax Depreciation}_t = \sum_{i=1}^N \text{Asset Nominal Tax Depreciation}_{i,t}$$

where:

## Schedule 1E (Long Term Revenue Constraint Methodology)

$N$  is the number of Asset Types.

### ~~1E.9.3~~1E.8.3 Taxation Calculations

For the purposes of calculating the allowance for taxation expenses in the calculation of ABBRR and Unrecovered Cost, the Net Tax Allowance will be calculated as follows:

$$\text{Net Tax Allowance}_t = [\text{Max}(0, \text{Taxable Profit}_t + \text{Tax Loss Carried Forward}_{t-1})] * \tau(1 - \gamma)$$

where:

$\tau$  is the statutory company taxation rate that applies in Financial Year ( $t$ ), as determined in clause [1E.8.5\(b\)](#)~~1E.9.5(b)~~.

$\gamma$  (gamma) is the value of the imputation credits that applies in Financial Year ( $t$ ), as determined in clause [1E.8.5\(a\)](#)~~1E.9.5(a)~~.

$\text{Taxable Profit}_t$  is the calculated profit which is subject to taxation calculated as follows, but subject to, for the purposes of corporate taxation: (i) the inclusion of any capital gains; (ii) the inclusion of any capital losses (but only to the extent that they are offset by any capital gains); (iii) the exclusion of any items to the extent that they are not deductible; and (iv) the treatment of assets received by NBN Co for nil consideration:

$$\begin{aligned} \text{Taxable Profit}_t &= [\text{Nominal Revenue}_t - \text{Nominal Opex}_t - \text{Interest Expense}_t \\ &\quad - \text{Nominal Tax Depreciation}_t] \end{aligned}$$

where:

$\text{Nominal Revenue}_t$  is the nominal Revenue in Financial Year ( $t$ ).

$\text{Nominal Opex}_t$  is the nominal Operating Expenditure in Financial Year ( $t$ ).

$\text{Interest Expense}_t$  is the actual interest expense recorded in NBN Co's statutory accounts in Financial Year ( $t$ ).

$\text{Nominal Tax Depreciation}_t$  is the Nominal Tax Depreciation in Financial Year ( $t$ ), calculated in accordance with clause [1E.8.2](#)~~1E.9.2~~.

$\text{Tax Loss Carried Forward}_{t-1}$  is determined as follows:

if  $t-1$  refers to 2007/08,

$$\text{Tax Loss Carried Forward}_{t-1} = 0$$

otherwise,

$$\text{Tax Loss Carried Forward}_{t-1} = \text{Min}(0, \text{Taxable Profit}_{t-1} + \text{Tax Loss Carried Forward}_{t-2})$$

### ~~1E.9.4~~1E.8.4 Real Values

- (a) During the Initial Regulatory Period, when reference is made to real values, this refers to the cost or revenue of the relevant parameter in constant dollar terms of the First Financial Year. Except

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where a specific means of conversion is set out for a particular value, this will be calculated as follows:

$$Real\ Value_t = \frac{(Nominal\ Value_t)}{CIF_t}$$

Likewise, in converting real values into nominal values, except where a specific means of conversion is set out for a particular value, the corresponding calculation is:

$$Nominal\ Value_t = Real\ Value_t * CIF_t$$

where:

$t=1$  corresponds to the First Financial Year.

- (b) The  $CIF_t$  is the Cumulative Inflation Factor which is the cumulative product of the June Quarter CPI published for each Financial Year from the SAU Commencement Date, relative to the First Financial Year, i.e.:

$$CIF_t = \left\{ \prod_{k=1}^t (1 + CPI_k^{June}) \right\} / (1 + CPI_1^{June})$$

where:

$CPI_k^{June}$  is the June Quarter CPI for Financial Year ( $k$ ). Thus, if the First Financial Year is 2011/12,  $k=1$  for that year, and the relevant CPI value is that published for the June quarter of Financial Year 2011/12. For clarity, the Cumulative Inflation Factor for the First Financial Year is 1.0, and thus the nominal values in that year will be the same as the real values for that year.

- (c) In this Schedule 1E, for Financial Years prior to the First Financial Year, the  $CIF_t$  is defined as:

~~$$CIF_t = (1 + CPI_1^{June}) / \left\{ \prod_{k=t}^1 (1 + CPI_k^{June}) \right\}$$~~

$$CIF_t = 1 / \left\{ \prod_{k=t+1}^1 (1 + CPI_k^{June}) \right\}$$

where:

$t$  is less than or equal to 0. For example, if the First Financial Year is 2011/12, then the 2010/11 Financial Year is year  $t = 0$ , and Financial Year 2009/10 would be year  $t = -1$ .

$CPI_k^{June}$  means the June Quarter CPI for Financial Year ( $k$ ).

### ~~1E.9.5~~ 1E.8.5 Tax parameters

For the purposes of this clause ~~1E.8~~ 1E.9:

- (a) impact of dividend imputation franking credits (“gamma”) in Financial Year ( $t$ ) will be :
- (i) if the value of the sum of *Taxable Profit<sub>t</sub>* and *Tax Losses Carried Forward<sub>t-1</sub>* is negative, unspecified; or

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- (ii) if the value of the sum of *Taxable Profit<sub>t</sub>* and *Tax Losses Carried Forward<sub>t-1</sub>* is positive, determined by the ACCC in the LTRCM Determination made under clause 1E.1.2,

where *Taxable Profit<sub>t</sub>* and *Tax Loss Carried Forward<sub>t-1</sub>* are as defined in clause ~~1E.8.3~~1E.9.3.

- (b) Corporate Tax Rate ( $\tau$ ): In the event of a change in the statutory corporate taxation rate, there will be an immediate update of the Corporate Tax Rate to be equal to the statutory corporate taxation rate that applies for a given Financial Year. As at the SAU Commencement Date, the Corporate Tax Rate will be 30%.

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## ~~1E.10~~1E.9 Annual Construction in Progress Allowance

### ~~1E.10.1~~1E.9.1 ACIPA calculation

- (a) An ACIPA will be calculated each year and included in the calculation of the ABBRR as described in clause 1E.4.
- (b) The ACIPA for Financial Year (*t*) is calculated as follows:

$$ACIPA_t = CIP_t^{start} * R_t^{nominal}$$

where:

$CIP_t^{start}$  is the balance of CIP at the start of Financial Year (*t*).

$R_t^{nominal}$  is the nominal rate of return for Financial Year (*t*), determined in accordance with clause ~~1E.6.1(a)~~1E.7.1(a).

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## Schedule 1F Regulatory Information

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### 1F.1 Compliance and forecasting during Initial Regulatory Period

#### 1F.1.1 Scope

This Schedule 1F applies for the Initial Regulatory Period.

#### 1F.1.2 Submission by NBN Co of Forecast Financial Information

No later than 30 June prior to the commencement of each Financial Year during the Initial Regulatory Period, NBN Co will submit to the ACCC NBN Co's forecasts or estimates of the following information in respect of that Financial Year (in this Schedule 1F, **Forecast Financial Information**):

- (a) Capital Expenditure, by Asset Type;
- (b) Operating Expenditure;
- (c) Disposals, by Asset Type; and
- (d) the opening value and closing value of CIP.

#### 1F.1.3 Provision of Actual Financial Information and variance reasons to ACCC

By 31 October after the end of each Financial Year of the Initial Regulatory Period, NBN Co will provide to the ACCC a report setting out:

- (a) the actual financial information for the following matters in respect of that Financial Year (in this Schedule 1F, **Actual Financial Information**):
  - (i) June Quarter CPI;
  - (ii) Capital Expenditure, by Asset Type;
  - (iii) Revenue;
  - (iv) Operating Expenditure;
  - (v) Disposals, by Asset Type;
  - (vi) the Interest Expense;
  - (vii) accounting and tax asset lifetimes;
  - (viii) the risk free rate to be used in the calculation of the nominal rate of return under clause [1E.6.1\(b\)](#)~~1E.7.1(b)~~; and
  - (ix) the nominal rate of return to be calculated under clause [1E.6.1\(a\)](#)~~1E.7.1(a)~~; and
- (b) information which sets out any material variance between the Forecast Financial Information and the Actual Financial Information, including reasons for the variances.

#### 1F.1.4 Provision of Proposed Financial Information

By 31 October after the end of each Financial Year of the Initial Regulatory Period, NBN Co will provide to the ACCC its proposed values in respect of that Financial Year for (in this Schedule 1F, **Proposed Financial Information**):



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- (a) the Annual Building Block Revenue Requirement, including each of the inputs to that Annual Building Block Revenue Requirement;
- (b) opening and closing values of the RAB (nominal and real);
- (c) opening and closing values of the ICRA (nominal and real);
- (d) the opening and closing value of CIP;
- (e) the Unrecovered Cost;
- (f) if the value of the sum of the *Taxable Profit<sub>t</sub>* and *Tax Loss Carried Forward<sub>t-1</sub>* proposed for the purposes of the Net Tax Allowance is positive, the proposed impact of dividend imputation franking credits (“gamma”); and
- (g) the applicable corporate tax rate to be calculated in accordance with clause ~~1E.8.5~~1E.9.5.

### 1F.1.5 First Financial Year

The information provided to the ACCC pursuant to clauses 1F.1.3 and 1F.1.4 in respect of the First Financial Year is to include the Actual Financial Information or Proposed Financial Information (as relevant) for that Financial Year and each prior Financial Year (or part thereof) from the Cost Commencement Date.

### ~~1F.1.6 — Provision of additional information during Building Block Revenue Period~~

~~During the Building Block Revenue Period, NBN Co will submit to the ACCC proposed values for:~~

- ~~(a) — by 31 October after the end of the first Financial Year of the Building Block Revenue Period, the Carry Forward Revenue Adjustment from the last Financial Year of the Initial Cost Recovery Period; and~~
- ~~(b) — by 31 October after the end of each Financial Year of the Building Block Revenue Period, the following additional proposed values in respect of that Financial Year:
 
  - ~~(i) — the Regulated Revenue; and~~
  - ~~(ii) — the Revenue Variation.~~~~

### ~~1F.1.7~~1F.1.6 ACCC Enhanced Information Request

At any time, the ACCC may request information from NBN Co that the ACCC considers reasonably necessary for it to determine the ABBRR, RAB ~~and/or~~ ICRA, ~~Regulated Revenue, Carry Forward Revenue Adjustment and/or Revenue Variation~~, including the values of the inputs to each of those values, in accordance with Schedule 1D (Regulatory Asset Base) and Schedule 1E (Long Term Revenue Constraint Methodology) and NBN Co must comply with a request made by the ACCC under this clause ~~1F.1.6~~1F.1.7 within the timeframe specified by the ACCC.

## 1F.2 Expenditure compliance and reporting

### 1F.2.1 Expenditure Compliance Reports

- (a) By 31 October after the end of each Financial Year during the Initial Regulatory Period, NBN Co will submit to the ACCC a report signed by the Chief Financial Officer of NBN Co (or his or her authorised delegate) which:

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- (i) certifies, as if the Chief Financial Officer (or his or her authorised delegate) were in the ACCC's position, that, in relation to that Financial Year, the Capital Expenditure proposed for inclusion in the RAB:
  - (A) was incurred in accordance with the Prudent Cost Condition and the Prudent Design Condition; or
  - (B) was incurred between the Cost Commencement Date and the SAU Commencement Date or in connection with one of the matters specified in clause 1D.3.2(a)(ii); and
- (ii) certifies, as if the Chief Financial Officer (or his or her authorised delegate) were in the ACCC's position, that, in relation to that Financial Year, the Operating Expenditure proposed for inclusion in the ABBRR:
  - (A) was incurred in accordance with clause [1E.7.3](#)~~1E.8.3~~; or
  - (B) was incurred in between the Cost Commencement Date and the SAU Commencement Date or was incurred in connection with one of the matters specified in clause [1E.7.2\(a\)\(ii\)](#)~~1E.8.2(a)(iii)~~.
- (b) If the Chief Financial Officer of NBN Co (or his or her authorised delegate) is unable to provide the certification under clause 1F.2.1(a) on the grounds that the Chief Financial Officer (or his or her authorised delegate) reasonably considers that:
  - (i) the Capital Expenditure proposed for inclusion in the RAB:
    - (A) was not incurred in accordance with the Prudent Cost Condition and the Prudent Design Condition; or
    - (B) was not incurred between the Cost Commencement Date and the SAU Commencement Date or in connection with one of the matters specified in clause 1D.3.2(a)(ii); or
  - (ii) the Operating Expenditure proposed for inclusion in the ABBRR:
    - (A) was not incurred in accordance with clause [1E.7.3](#)~~1E.8.3~~; or
    - (B) was not incurred in between the Cost Commencement Date and the SAU Commencement Date or was incurred in connection with one of the matters specified in clause [1E.7.2\(a\)\(ii\)](#)~~1E.8.2(a)(iii)~~,

then the Chief Financial Officer (or his or her authorised delegate) must identify in a report to the ACCC:

  - (iii) the following information:
    - (A) the nature and extent of the non-compliance in relation to the Capital Expenditure or Operating Expenditure (as the case may be); and
    - (B) the associated aspect of clauses 1F.2.1(b)(i) or 1F.2.1(b)(ii) (as the case may be) in respect of which the non-compliance has arisen; and
  - (iv) a substitute amount of Capital Expenditure or Operating Expenditure for consideration by the ACCC, which in that person's reasonable opinion, is consistent with clauses 1D.3.2(d) or [1E.7.2\(c\)](#)~~1E.8.2(c)~~ (as the case may be).

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- (c) Nothing in clause 1F.2.1(b) overrides the ACCC's power to make an LTRCM Determination under clause 1E.1, including to determine substitute amounts of Capital Expenditure and Operating Expenditure for the purposes of clauses 1D.3.2(d) or [1E.7.2\(c\)](#)~~1E.8.2(e)~~ (as the case may be).

### 1F.2.2 Expenditure Compliance Information Request

At any time, the ACCC may request information from NBN Co that is reasonably necessary for the ACCC to assess the matters contained in a report submitted in accordance with clause 1F.2.1 and NBN Co must comply with a request made by the ACCC under this clause 1F.2.2 within the timeframe specified by the ACCC.

### 1F.2.3 Procurement Rules compliance

- (a) By 31 October after the end of each Financial Year during the Initial Regulatory Period, NBN Co will submit to the ACCC a report signed by the Chief Procurement Officer certifying that, in relation to that Financial Year, the Procurement Rules satisfied the requirements in clause 1D.5.1.
- (b) At any time, the ACCC may request information from NBN Co that is reasonably necessary for the ACCC to assess compliance of the Procurement Rules with clause 1D.5.1 and NBN Co must comply with a request made by the ACCC under this clause 1F.2.3(b) within the timeframe specified by the ACCC.

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## 1F.3 Price compliance and reporting

- (a) By 31 October after the end of each Financial Year of the Initial Regulatory Period, NBN Co will submit to the ACCC a report signed by the Chief Financial Officer of NBN Co (or his or her authorised delegate) which certifies that, in respect of that Financial Year:
- (i) the Price for the supply of each NBN Offer did not exceed, at any time during the Financial Year, the Maximum Regulated Price applicable to that NBN Offer at the relevant point in time;
  - (ii) the Price of each Other Charge imposed did not exceed, at any time during the Financial Year, the Maximum Regulated Price for that Other Charge at the relevant point in time; and
  - (iii) Prices complied with the requirements of Schedule 1C (NBN Offers and Other Charges),
- and provide to the ACCC such other information that NBN Co considers is reasonably necessary for the ACCC to assess NBN Co's compliance with Schedule 1C (NBN Offers and Other Charges).
- (b) At any time, the ACCC may request information from NBN Co that is reasonably necessary for the ACCC to determine NBN Co's compliance with Schedule 1C (NBN Offers and Other Charges) and NBN Co must comply with a request made by the ACCC under this clause 1F.3(b) within the timeframe specified by the ACCC.

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## Schedule 1G Maximum Regulated Price Review Mechanisms

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### 1G.1 Introduction

#### ~~1G.1.1~~ ~~Scope~~

This Schedule 1G applies for the Initial Regulatory Period.

#### ~~1G.1.2~~ ~~Overview~~

~~This Schedule 1G confers functions and powers on the ACCC pursuant to section 152CBA(10A) of the CCA to undertake reviews of the Maximum Regulated Prices of:~~

~~(a) NBN Offers; and~~

~~(b) Other Charges.~~

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### 1G.2 Tax Change Events

#### 1G.2.1 Change to Maximum Regulated Price as a result of a Tax Change Event

If a Tax Change Event occurs during the Initial Regulatory Period, the Maximum Regulated Price of an NBN Offer and/or Other Charge may be changed in accordance with this clause 1G.2.

#### 1G.2.2 NBN Co issuing a proposal relating to Tax Change Events

- (a) During the Initial Regulatory Period, NBN Co may publish on its website, and provide Access Seekers and the ACCC with, a written statement (in this clause 1G.2, a **Tax Change Events Proposal**) in respect of one or more Tax Change Events that occurred within a period of 60 Business Days (or such other longer period as may be approved by the ACCC under clause 1G.2.3) prior to the statement that specifies:
- (i) the details and the date or dates on which the Tax Change Event or Tax Change Events occurred;
  - (ii) the likely change in the costs incurred by NBN Co in the supply of NBN Offers and the performance of activities associated with Other Charges as a result of the Tax Change Event or Tax Change Events;
  - (iii) the proposed apportionment of that change in costs across each NBN Offer and/or Other Charge in respect of which NBN Co is proposing to change the Maximum Regulated Price, and the proposed change to the Maximum Regulated Price of each such NBN Offer and/or Other Charge to reflect that change in costs; and
  - (iv) the proposed date (in this clause 1G.2, **Proposed Change Effective Date**) on which the changes to the Maximum Regulated Prices proposed by NBN Co in the statement will take effect if no Access Seeker objects to the proposed changes, which date must be no earlier than 40 Business Days after the Tax Change Events Proposal is published on NBN Co's website and provided to each Access Seeker and the ACCC.
- (b) If NBN Co publishes on its website, and provides Access Seekers and the ACCC with, a Tax Change Events Proposal, an Access Seeker may, prior to the Proposed Change Effective Date, object to the Tax Change Events Proposal by giving NBN Co a written notice of its objection.

## Schedule 1G (Maximum Regulated Price Review Mechanisms)

- (c) NBN Co must provide the ACCC with a copy of any notice received under clause 1G.2.2(b) within 5 Business Days of receiving the notice.
- (d) If no notice is given to NBN Co under clause 1G.2.2(b), the changes to the Maximum Regulated Price of each NBN Offer and/or Other Charge specified in the Tax Change Events Proposal will take effect from the Proposed Change Effective Date.
- (e) If a notice is given under clause 1G.2.2(b), the changes to the Maximum Regulated Prices specified in the Tax Change Events Proposal will not take effect.

**1G.2.3 Request for longer period to issue Tax Change Events Proposal**

- (a) NBN Co may at any time within 60 Business Days of the occurrence of a Tax Change Event request a period longer than 60 Business Days from the occurrence of that Tax Change Event to issue a Tax Change Events Proposal in relation to that Tax Change Event under clause 1G.2.2(a), by giving a notice to the ACCC which states the date on which the Tax Change Event occurred, the period within which NBN Co proposes to issue a Tax Change Events Proposal in relation to that Tax Change Event, and the reasons for the request.
- (b) Prior to the expiry of 60 Business Day from the occurrence of the Tax Change Event, the ACCC may approve the proposal.

**1G.2.4 Submission of statement by NBN Co to ACCC following a Tax Change Event**

If NBN Co issues a Tax Change Events Proposal in accordance with clause 1G.2.2(a), and under clause 1G.2.2(e) the changes to the Maximum Regulated Prices proposed in the Tax Change Events Proposal do not take effect, within 40 Business Days of the first objection notice given under clause 1G.2.2(b), NBN Co may submit to the ACCC a written statement that specifies the matters referred to in clauses 1G.2.2(a)(i) to 1G.2.2(a)(iv) in respect of one or more of the Tax Change Events to which the Tax Change Events Proposal relates.

**1G.2.5 Notification of a Negative Tax Change Event by the ACCC**

Where a Negative Tax Change Event has occurred and either:

- (a) NBN Co does not issue a Tax Change Events Proposal that relates to the Negative Tax Change Event within the period referred to in clause 1G.2.2(a); or
- (b) NBN Co issues a Tax Change Events Proposal that relates to the Negative Tax Change Event under clause 1G.2.2(a) and:
  - (i) under clause 1G.2.2(e) the proposal does not take effect; and
  - (ii) NBN Co has not submitted to the ACCC a statement in relation to the Negative Tax Change Event under clause 1G.2.4,

the ACCC may notify NBN Co of the occurrence of that Negative Tax Change Event.

**1G.2.6 ACCC's determination in relation to a Tax Change Event**

- (a) Within 40 Business Days (or such other longer period as may be determined by the ACCC and notified to NBN Co by the ACCC giving NBN Co a notice stating the extended period and the reasons for the extension) of NBN Co submitting a written statement under clause 1G.2.4 or the ACCC notifying NBN Co of the occurrence of a Negative Tax Change Event under clause 1G.2.5 (as the case may be), the ACCC may issue a determination to NBN Co that specifies:

## Schedule 1G (Maximum Regulated Price Review Mechanisms)

- (i) whether the ACCC is satisfied that one or more of the Tax Change Events have occurred; and
  - (ii) if the ACCC is satisfied that one or more of the Tax Change Events have occurred:
    - (A) the change, if any, in the costs incurred by NBN Co in the supply of NBN Offers and the performance of activities associated with Other Charges as a result of the Tax Change Event or Tax Change Events that the ACCC considers is likely to arise; and
    - (B) whether the ACCC is satisfied that the Maximum Regulated Price of one or more NBN Offers and/or Other Charges should be changed as a result of the Tax Change Event or Tax Change Events; and
  - (iii) if the ACCC is satisfied that the Maximum Regulated Price of one or more NBN Offers and/or Other Charges should be changed as a result of the Tax Change Event or Tax Change Events:
    - (A) the apportionment of any such change in costs across each NBN Offer and/or Other Charge in respect of which the ACCC is proposing to change the Maximum Regulated Price; and
    - (B) any change to the Maximum Regulated Price of each such NBN and/or Other Charge to reflect those changed costs,
- that the ACCC is satisfied are reasonable.
- (b) Where the ACCC specifies a change to the Maximum Regulated Price of an NBN Offer or Other Charge in a determination under clause 1G.2.6(a), the Maximum Regulated Price of that NBN Offer or Other Charge changes by the amount specified in the determination with effect from the date of the determination.
  - (c) If NBN Co submits a written statement under clause 1G.2.4 and the ACCC does not issue a determination in accordance with clause 1G.2.6(a) in respect of the Tax Change Event or Tax Change Events specified in NBN Co's statement within the period referred to in that clause:
    - (i) the ACCC is taken to be satisfied that the changes in the Maximum Regulated Price of each NBN Offer and/or Other Charge specified in the written statement submitted by NBN Co are reasonable; and
    - (ii) the Maximum Regulated Price of each NBN Offer and/or Other Charge changes by the amount proposed in the written statement submitted by NBN Co under clause 1G.2.4 with effect upon expiry of that period.
  - (d) In deciding whether or not the ACCC is satisfied of the matters referred to in clauses 1G.2.6(a)(ii) and 1G.2.6(a)(iii), the ACCC must have regard to:
    - (i) any written statement submitted by NBN Co under clause 1G.2.4;
    - (ii) whether any likely change in the costs incurred by NBN Co in the supply of NBN Offers and the performance of activities associated with Other Charges as a result of the Tax Change Event or Tax Change Events is material;
    - (iii) whether there have been or are likely to be any other Tax Change Events not subject of NBN Co's written statement under clause 1G.2.4 or the notification by the ACCC under clause 1G.2.5 (as the case may be) that are not reflected in the Maximum Regulated Prices of NBN Offers and/or Other Charges in effect immediately prior to the ACCC's determination;

## Schedule 1G (Maximum Regulated Price Review Mechanisms)

- (iv) the matters specified in section 152AH of the CCA; and
  - (v) any other matter the ACCC considers relevant.
- (e) Before issuing a determination in accordance with clause 1G.2.6(a), the ACCC may consult with NBN Co and such other persons as the ACCC considers appropriate, on any matters arising out of a Tax Change Event.

**1G.2.7 ACCC request for information regarding a Tax Change Event**

- (a) At any time, the ACCC may request information from NBN Co that the ACCC considers reasonably necessary for it to determine whether to notify NBN Co of a Negative Tax Change Event under clause 1G.2.5 or for the purposes of making a determination under clause 1G.2.6(a).
- (b) NBN Co must comply with a request made by the ACCC under clause 1G.2.7(a) within the timeframe specified by the ACCC.
- (c) The period between when the ACCC requests information under clause 1G.2.7(a) and when the ACCC is provided with that information is to be disregarded for the purposes of calculating the period of time elapsed for the purposes of clause 1G.2.6(a).

**1G.3 — Price Review Arrangements****1G.3.1 — Initiation of Price Review**

- ~~(a) Subject to clause 1G.3.1(c), no earlier than 1 July 2014, either the ACCC or NBN Co may issue a written notice (in this clause 1G.3, **Price Review Notice**) to the other stating that it wishes to commence a review of the Maximum Regulated Prices applicable to NBN Offers and/or Other Charges under this clause 1G.3 (in this clause 1G.3, **Price Review**).~~
- ~~(b) The Price Review Notice must:
 
  - ~~(i) identify one or more Maximum Regulated Prices that the notifying party considers should be reviewed; and~~
  - ~~(ii) the reasons why the notifying party considers the Maximum Regulated Prices should be reviewed.~~~~
- ~~(c) A Price Review Notice cannot be issued under clause 1G.3.1(a) if there are already two Price Review Arrangements that apply in the Initial Regulatory Period.~~

**1G.3.2 — NBN Co to develop Price Review Proposal**

- ~~(a) NBN Co will, no later than 120 calendar days after a Price Review Notice is issued (or such other later date specified by the ACCC), provide the ACCC with a proposal in relation to the Maximum Regulated Prices the subject of the Price Review Notice (in this clause 1G.3, **Price Review Proposal**).~~
- ~~(b) The Price Review Proposal must include the following information:
 
  - ~~(i) a proposed Price Review Arrangement developed in accordance with the Price Review Criteria, which includes the matters referred to in clause 1G.3.7(a);~~
  - ~~(ii) an explanation of the basis on which the proposed Price Review Arrangement satisfies the Price Review Criteria; and~~~~

## Schedule 1G (Maximum Regulated Price Review Mechanisms)

~~(iii) — the forecasts and estimates used by NBN Co to apply the Price Review Criteria to the proposed Price Review Arrangement, and an explanation of the basis on which those forecasts and estimates were prepared, including the methods used and assumptions made.~~

**1G.3.3 — ACCC response to Price Review Proposal**

~~(a) — The ACCC may either:~~

~~(i) — accept the Price Review Proposal; or~~

~~(ii) — reject the Price Review Proposal, in which case the ACCC may either:~~

~~(A) — issue its own Price Review Arrangement (in this clause 1G.3, an ACCC Determined Price Review Arrangement); or~~

~~(B) — discontinue the Price Review without establishing a Price Review Arrangement, in which case the Price Review will terminate; or~~

~~(iii) — where the ACCC issued the relevant Price Review Notice, discontinue the Price Review without rejecting the Price Review Proposal or establishing a Price Review Arrangement, in which case the Price Review will terminate.~~

~~(b) — The ACCC may request NBN Co to give to the ACCC further information that the ACCC considers reasonably necessary for making a decision under clause 1G.3.3(a) and NBN Co must comply with such a request within the period specified by the ACCC.~~

~~(c) — The ACCC must publish on its website a Price Review Proposal provided to it by NBN Co.~~

~~(d) — The ACCC must not make a decision under clause 1G.3.3(a) unless the ACCC has had regard to the information in the Price Review Proposal provided by NBN Co under clause 1G.3.2(b).~~

~~(e) — The ACCC may consult with NBN Co and such other persons as the ACCC considers appropriate on NBN Co's Price Review Proposal, and must consider any submissions that are received within the time limit specified by the ACCC.~~

~~(f) — The ACCC must publish on its website its decision under clause 1G.3.3(a), including the reasons for the decision and any resulting Price Review Arrangement.~~

**1G.3.4 — Variation of Price Review Proposal**

~~(a) — The ACCC may issue a written notice to NBN Co stating that if NBN Co:~~

~~(i) — makes such variations to the Price Review Proposal as are specified in the notice; and~~

~~(ii) — gives the varied Price Review Proposal to the ACCC within the period specified in the notice,~~

~~the ACCC will consider the varied Price Review Proposal under clause 1G.3.3 as if the varied Price Review Proposal had been given instead of the original Price Review Proposal.~~

~~(b) — If NBN Co gives the ACCC a varied Price Review Proposal in response to a notice issued under clause 1G.3.4(a), the ACCC will consider the varied Price Review Proposal under clause 1G.3.3 as if the varied Price Review Proposal had been given instead of the original Price Review Proposal.~~

**1G.3.5 — Acceptance of Price Review Proposal**

~~If a Price Review Proposal is accepted by the ACCC under clause 1G.3.3(a), the proposed Price Review Arrangement included in that Price Review Proposal becomes a Price Review Arrangement.~~



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**~~1G.3.6 — ACCC Determined Price Review Arrangement~~**

~~If the ACCC issues an ACCC Determined Price Review Arrangement under clause 1G.3.3(a), the ACCC Determined Price Review Arrangement becomes a Price Review Arrangement.~~

**~~1G.3.7 — Content and operation of Price Review Arrangement~~**

~~(a) — A Price Review Arrangement must specify:~~

~~(i) — the commencement date of the Price Review Arrangement which must:~~

~~(A) — be the start of a Financial Year between 1 July 2016 and 30 June 2023;~~

~~(B) — not be a date that precedes the date on which the Price Review Arrangement is accepted or issued by the ACCC;~~

~~(C) — not be in a Financial Year in respect of which a previous Price Review Arrangement applies; and~~

~~(D) — be no later than 12 months after the date on which the Price Review Arrangement is accepted or issued by the ACCC;~~

~~(ii) — the end date of the Price Review Arrangement, which must be the end of a Financial Year between 1 and 5 Financial Years after the commencement date of the Price Review Arrangement;~~

~~(iii) — the NBN Offers and/or Other Charges to which the Price Review Arrangement applies (in this clause 1G.3, each a **Reviewed Offer**); and~~

~~(iv) — for each Reviewed Offer, the Maximum Regulated Price for one or more Financial Years within the period of the Price Review Arrangement.~~

~~(b) — The Maximum Regulated Price for a Reviewed Offer specified in a Price Review Arrangement may:~~

~~(i) — be specified in the form of an amount or as a formula for ascertaining the amount; and~~

~~(ii) — be different for each Financial Year for which the Price Review Arrangement specifies a Maximum Regulated Price for the Reviewed Offer (including to establish a glide-path in relation to the Maximum Regulated Price for the Reviewed Offer).~~

~~(c) — If a Price Review Arrangement applies to a Reviewed Offer and a Financial Year within the Initial Regulatory Period, then the Maximum Regulated Price for that Reviewed Offer for that Financial Year will be the Maximum Regulated Price specified in that Price Review Arrangement for that Reviewed Offer for that Financial Year in accordance with clause 1C.5.1, subject to clause 1G.2.~~

**~~1G.3.8 — Price Review Requirements~~**

~~(a) — Subject to clause 1G.3.8(b), the ACCC must not accept a Price Review Proposal, or issue an ACCC Determined Price Review Arrangement, under clause 1G.3.3(a), unless the ACCC is satisfied that:~~

~~(i) — the Maximum Regulated Price of each Reviewed Offer for each Financial Year to which the Price Review Arrangement applies is reasonable, having regard to the matters specified in section 152AH of the CCA, the matters referred to in clause 1G.3.8(d) and any other matter the ACCC considers relevant; and~~

~~(ii) — there is no material difference between:~~

## Schedule 1G (Maximum Regulated Price Review Mechanisms)

~~(A) — the present value of the difference between the expected Revenue and the sum of the expected ABBRR for each Financial Year, between the commencement of the Price Review Arrangement and the SAU Expiry Date, if the Price Review Arrangement were in operation; and~~

~~(B) — the present value of the difference between the expected Revenue and the sum of the expected ABBRR for each Financial Year, between the commencement of the Price Review Arrangement and the SAU Expiry Date, if the Price Review Arrangement were not in operation,~~

~~(in this clause 1G.3, Price Review Criteria).~~

~~(b) — Section 152CBD(5A) of the CCA applies to the ACCC's decision whether to accept or reject a Price Review Proposal under clause 1G.3.3(a) as if the references to an undertaking in that section were references to a Price Review Proposal, except for section 152CBD(5A)(d) (which does not apply to the ACCC's decision).~~

~~(c) — Section 152BCB(3C) of the CCA applies to the ACCC's decision to issue an ACCC Determined Price Review Arrangement under clause 1G.3.3(a) as if the references in that section to making an access determination were references to issuing an ACCC Determined Price Review Arrangement.~~

~~(d) — In deciding whether to accept or reject a Price Review Proposal and in issuing an ACCC Determined Price Review Arrangement, the ACCC must have regard to:~~

~~(i) — the legitimate business interests of NBN Co;~~

~~(ii) — the characteristics of the NBN Offers and activities associated with Other Charges other than the Reviewed Offers (in this clause 1G.3.8(d), **Other Offers**);~~

~~(iii) — the costs associated with Other Offers;~~

~~(iv) — the impact of the ACCC's decision on the Revenue associated with Other Offers;~~

~~(v) — the impact of the ACCC's decision on the demand for Other Offers; and~~

~~(vi) — any other factor the ACCC considers relevant.~~

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## Schedule 1H Non-price terms and conditions

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### 1H.1 General

#### 1H.1.1 Scope

This Schedule 1H applies for the Initial Regulatory Period.

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### 1H.2 Rollout progress information

#### 1H.2.1 3-year construction rollout plan

On or before 31 March of each year during the Initial Regulatory Period until the Rollout Built Date, NBN Co will publish a 3-year construction rollout plan that includes the following information:

- (a) a high level description of the geographic area in which NBN Co plans to deploy the NBN Co Fibre Network in the 36 months commencing from the 1 July following the publication;
- (b) the dates on which NBN Co expects to commence work on the NBN Co Fibre Network in that geographic area; and
- (c) the estimated number of Premises within that geographic area.

#### 1H.2.2 1-year construction rollout plan

On a quarterly basis during the Initial Regulatory Period until the Rollout Built Date, NBN Co will publish a 1-year construction rollout plan that includes the following information:

- (a) a high level graphical depiction of the geographic area in which NBN Co plans to deploy the NBN Co Fibre Network in the next 12-month period;
- (b) the dates on which NBN Co expects to commence work on the NBN Co Fibre Network in that geographic area; and
- (c) the estimated number of Premises within that geographic area.

#### 1H.2.3 Monthly ready for service rollout plan

On a monthly basis during the Initial Regulatory Period until the Rollout Built Date, NBN Co will publish a ready for service rollout plan that includes the following information:

- (a) the boundaries of the geographic areas of the NBN Co Fibre Network and the NBN Co Wireless Network that have entered the design and construction phase;
- (b) the expected ready for service date for that geographic area;
- (c) the estimated number of Premises within that geographic area; and
- (d) the proposed footprint list, being the Premises that are within the relevant geographic areas that NBN Co expects will be ready for service within the next 6-month period.

#### 1H.2.4 Historical footprint list and historical rollout region list

On a weekly basis until the Rollout Built Date, NBN Co will publish a list that sets out the Premises within geographic areas, and the details of these geographic areas, covered by the NBN Co Fibre Network and the NBN Co Wireless Network.

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## 1H.3 POI rollout progress

### 1H.3.1 Points of Interconnect Plan

- (a) On:
- (i) a quarterly basis during the Initial Regulatory Period until the completion of the Established POIs (as at the SAU Commencement Date); and
  - (ii) an annual basis after the completion of the Established POIs (as at the SAU Commencement Date),

NBN Co will publish updates to the status of the Established POIs (**Points of Interconnect Plan**).

- (b) The Points of Interconnect Plan will include:
- (i) POI name;
  - (ii) POI ID;
  - (iii) approximate number of Premises to be served by the POI (on completion);
  - (iv) forecast date for ODF availability; and
  - (v) forecast date for commissioning of the POI.

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## 1H.4 Closure, relocation and new Points of Interconnect

### 1H.4.1 Closures and Relocations of Established POIs

- (a) NBN Co will provide Access Seekers and the ACCC with at least 12 months' prior notice of a closure or relocation of an Established POI.
- (b) This clause 1H.4.1 does not apply to the relocation or closure of an Established POI in response to an Emergency.
- (c) This clause 1H.4.1 does not apply to the relocation or closure of a Temporary POI.

### 1H.4.2 New POIs

- (a) NBN Co will provide Access Seekers with no less than 12 months' prior notice of the establishment of a new POI.
- (b) This clause 1H.4.1(c) does not apply to the opening of a new Temporary POI.

### 1H.4.3 Commitment to close Temporary POIs

- (a) NBN Co will close a Temporary POI when NBN Co reasonably considers that the Temporary POI is no longer required having regard to:
- (i) whether an Established POI is available and serves the Premises served by the Temporary POI;
  - (ii) the number of Access Seekers that need to migrate from the Temporary POI to the Established POI; and
  - (iii) the number of Premises served by the Temporary POI.

## Schedule 1H (Non-price terms and conditions)

- (b) NBN Co will provide any affected Access Seeker and the ACCC with at least 12 months' prior notice of the migration of the Access Seeker's Downstream Customers from a Temporary POI to an Established POI or another Temporary POI where the migration is required by NBN Co.

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## 1H.5 Dispute Management

### 1H.5.1 Dispute resolution process in a SFAA

- (a) NBN Co must provide in any SFAA that, if the parties cannot resolve a Dispute commercially within a specified time period, the Dispute may be resolved by:
- (i) expert determination by a single expert applying the [Resolution Institute](#) Expert Determination Rules ~~of the Institute of Arbitrators & Mediators Australia~~, where the single expert will be as agreed between the parties or, if they cannot agree, selected by a Resolution Advisor; or
  - (ii) if the parties do not seek to resolve the Dispute through expert determination, a Panel Arbitration.
- (b) A SFAA must include Dispute Management Rules that cover the:
- (i) selection of an expert by a Resolution Advisor;
  - (ii) selection of a Panel by a Resolution Advisor; and
  - (iii) conduct of a Panel Arbitration, including a procedure for challenging a Panel Member.
- (c) A SFAA must include acknowledgments that:
- (i) a Resolution Advisor will perform his or her function in relation to a Dispute in accordance with his or her terms of appointment, including the requirements to comply with the Dispute Management Rules and to have regard to any Approved Dispute Guideline; and
  - (ii) a Panel Member will perform his or her function in relation to a Dispute in accordance with the Approved Pool Terms and the Approved Panel Terms, including the requirements to comply with the Dispute Management Rules and to have regard to any Approved Dispute Guideline.

### 1H.5.2 Definitions

In this clause 1H.5, the terms **Dispute**, **Dispute Management Rules**, **Panel**, **Panel Arbitration**, **Panel Member** and **Resolution Advisor** each have the meaning given in Annexure 1 (Dispute Resolution) to this Schedule 1H.

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## Annexure 1 Dispute Resolution

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### Part A Appointments

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#### 1 Appointment of Resolution Advisor

##### 1.1 Approval of the Resolution Advisor and terms of appointment

- (a) Within 20 Business Days after the SAU Commencement Date, or in accordance with clause 5.3, NBN Co must:
- (i) seek views from Customers and Access Seekers on:
    - (A) candidate(s) for the role of Resolution Advisor [\(including any Nominated Person\(s\), where a relevant candidate for the role of Resolution Advisor is a body corporate\)](#); and
    - (B) the terms of appointment of the Resolution Advisor(s); and
  - (ii) notify Customers and Access Seekers of the deadline for submissions, which must be at least 15 Business Days after NBN Co requested views under clause 1.1(a)(i).
- (b) NBN Co must, having regard to submissions received from Customers and Access Seekers pursuant to clause 1.1(a), as soon as reasonably practicable and in any event within 20 Business Days following the deadline for submissions under clause 1.1(a) above:
- (i) nominate one or more Proposed Resolution Advisor(s) [\(including any Nominated Person\(s\), where the Proposed Resolution Advisor is a body corporate\)](#) to the ACCC by providing the ACCC with a notice in the form prescribed in Appendix 1 (**Resolution Advisor Nomination Notice**); and
  - (ii) attach the draft terms of appointment of the Resolution Advisor(s) to the Resolution Advisor Nomination Notice.
- (c) After receiving a Resolution Advisor Nomination Notice, the ACCC must decide whether to:
- (i) approve the appointment of the Proposed Resolution Advisor(s) [\(and any Nominated Person\(s\), where the Proposed Resolution Advisor is a body corporate\)](#) named in the Resolution Advisor Nomination Notice as a Resolution Advisor, which includes approving the terms of appointment attached to the Resolution Advisor Nomination Notice; or
  - (ii) not approve the Proposed Resolution Advisor(s) [\(or any Nominated Person\(s\), where the Proposed Resolution Advisor is a body corporate\)](#) named in the Resolution Advisor Nomination Notice and, at the ACCC's absolute discretion after consultation with NBN Co, Customers and Access Seekers:
    - (A) identify and approve one or more persons as a Resolution Advisor [having regard to any relevant Nominated Person\(s\)](#) (which may be one or more of the Proposed Resolution Advisor(s)); and/or
    - (B) approve the proposed terms of appointment of the Resolution Advisor subject to any variations required by the ACCC.
- (d) Without limiting the ACCC's discretion, in making the decisions described in clause 1.1(c), the factors to which the ACCC may have regard include whether:

## Schedule 1H: Annexure 1 (Dispute Resolution)

- (i) the Proposed Resolution Advisor(s) or the person(s) identified by the ACCC pursuant to clause 1.1(c)(ii)(A) has the qualifications and experience necessary to carry out the functions of Resolution Advisor, including whether the person(s) (or the Nominated Person(s), where the Proposed Resolution Advisor is a body corporate):
    - (A) is a Legal Practitioner or a Dispute Resolution Practitioner; and
    - (B) has an understanding of the Australian telecommunications industry or be able to acquire such an understanding quickly;
  - (ii) the Proposed Resolution Advisor(s) or the person(s) identified by the ACCC in clause 1.1(c)(ii)(A) is sufficiently independent of each of NBN Co and its Customers and Access Seekers;
  - (iii) the terms of appointment are consistent with, and give effect to, the provisions of this Annexure 1 to Schedule 1H; and
  - (iv) the terms of appointment are otherwise acceptable to the ACCC.
- (e) As soon as reasonably practicable, and in any event within 20 Business Days (or such longer period notified by the ACCC to NBN Co) after receiving a Resolution Advisor Nomination Notice, the ACCC must notify NBN Co in writing of its decisions made pursuant to clause 1.1(c).
- (f) For the avoidance of doubt, the Resolution Advisor may be a body corporate and may delegate the performance of its functions to its officers or employees, provided that the body corporate:
- (i) nominates at least one Nominated Person who is responsible for the supervision of the performance of the delegated functions; and
  - (ii) will remain responsible at all times for compliance with its obligations as a Resolution Advisor.

## 1.2 Appointment of Resolution Advisor

- (a) NBN Co must:
  - (i) within 10 Business Days after receiving notice from the ACCC under clause 1.1(e), appoint the person(s) approved by the ACCC pursuant to clauses 1.1(c)(i) or 1.1(c)(ii)(A) as a Resolution Advisor on the terms of appointment approved by the ACCC pursuant to clauses 1.1(c)(i) or 1.1(c)(ii)(B); and
  - (ii) forward to the ACCC a copy of the executed terms of appointment within 5 Business Days of its execution.
- (b) A Resolution Advisor will be appointed for a period not exceeding 5 years.
- (c) A Resolution Advisor may be re-appointed for one or more successive terms, provided that any re-appointment is undertaken in accordance with the process set out in this Annexure 1.

## 1.3 Obligations and powers of the Resolution Advisor

- (a) NBN Co must procure that the terms of appointment of a Resolution Advisor include obligations on the Resolution Advisor to maintain his or her independence from each of NBN Co and Customers, including by not forming or, where an Access Seeker becomes a Customer, maintaining any relationship of the types described in clause 2(c) of Appendix 1 to this Annexure 1 (with the exception of relationships described in clause 2(d) of Appendix 1 to this Annexure 1) with either NBN Co or a Customer for the period of his or her appointment as Resolution Advisor.

## Schedule 1H: Annexure 1 (Dispute Resolution)

- (b) NBN Co must include in the terms of appointment of a Resolution Advisor an obligation on the Resolution Advisor to:
- (i) follow any direction given to him or her by the ACCC in relation to the performance of his or her functions as Resolution Advisor in accordance with his or her terms of appointment and the Approved Dispute Guidelines under this Annexure 1 to Schedule 1H;
  - (ii) comply with any relevant Dispute Management Rules;
  - (iii) comply with the terms of his or her appointment;
  - (iv) have regard to any Approved Dispute Guidelines published in accordance with clause 6; and
  - (v) immediately report any issues that arise in relation to the performance of his or her functions as Resolution Advisor or in relation to compliance with this Annexure 1 to the ACCC and NBN Co.

(c) Without limiting clause 1.3(b), where a Resolution Advisor is a body corporate, NBN Co must use reasonable endeavours to include in the terms of appointment of that Resolution Advisor an obligation on the Resolution Advisor to be responsible for the acts and omissions of any relevant Nominated Person in connection with a Dispute as if those acts and omissions were performed by the Resolution Advisor.

~~(c)~~(d) NBN Co must:

- (i) comply with the terms of appointment of the Resolution Advisor, including as to payment of the Resolution Advisor;
- (ii) take all steps reasonably necessary to enforce any material non-compliance by a Resolution Advisor with the terms of his or her appointment;
- (iii) not interfere with, or otherwise hinder, a Resolution Advisor's ability to carry out his or her functions as a Resolution Advisor;
- (iv) not appoint a Resolution Advisor, or have any agreements, understandings or arrangements with a Resolution Advisor, to utilise that Resolution Advisor's services for anything other than compliance with this Special Access Undertaking until at least 12 months after the Resolution Advisor ceases to act in the role of the Resolution Advisor; and
- (v) publish the approved terms of appointment of a Resolution Advisor on NBN Co's Website (redacting any personal or confidential information of a Resolution Advisor or NBN Co).

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## 2 Pool

### 2.1 Selection and approval of Pool Members

- (a) NBN Co will establish and maintain a pool of persons from which members of a Panel may be selected (each a **Pool Member**, together the **Pool**).
- (b) Within 20 Business Days of the SAU Commencement Date or at such other time as NBN Co reasonably considers to be required, NBN Co must:
  - (i) seek views from Customers and Access Seekers on the candidate(s) for appointment to the Pool; and
  - (ii) notify Customers and Access Seekers of the deadline for submissions, which must be at least 15 Business Days after NBN Co requested views under clause 2.1(b)(i); and



## Schedule 1H: Annexure 1 (Dispute Resolution)

- (c) NBN Co must, as soon as reasonably practicable and, in any event, within 10 Business Days following the deadline for submissions, nominate one or more candidates for appointment to the Pool to the ACCC by providing the ACCC with a written notice setting out the name, expertise and experience of the candidate(s).
- (d) In selecting a person for nomination under clause 2.1(c), NBN Co will have regard to the:
  - (i) submissions in response to NBN Co's request pursuant to clause 2.1(b)(i) received from Customers and Access Seekers prior to the deadline for submissions notified to the same by NBN Co;
  - (ii) need for the Pool to comprise members who have a reasonably diverse and balanced range of professional skills and experience, whether commercial, technical, operational or legal;
  - (iii) need for the Pool to comprise a sufficient number of members to enable Panel Arbitrations to proceed in the manner contemplated in Access Agreements;
  - (iv) need for the Pool to contain a reasonable proportion of Legal Practitioners or Dispute Resolution Practitioners in its membership;
  - (v) need for Pool candidates to have an understanding of the Australian telecommunications industry (or be able to acquire such an understanding quickly); and
  - (vi) experience of Pool candidates in dispute resolution procedures, with more weight given to candidates with over 10 years' experience.
- (e) The ACCC must, as soon as reasonably practicable and in any event within 20 Business Days (or such longer period notified by the ACCC to NBN Co) following receipt of a notice of nomination under clause 2.1(c), approve or reject the selection of persons nominated by NBN Co in that notice to be members of the Pool.
- (f) NBN Co must appoint to the Pool the persons approved by the ACCC under clause 2.1(e) on the Approved Pool Terms.
- (g) A Pool Member may be appointed for a period not exceeding 5 years.
- (h) A Pool Member may be re-appointed for one or more successive terms provided that any re-appointment is undertaken in accordance with the process set out in this clause 2.

## 2.2 Standard terms of appointment of Pool Members

- (a) NBN Co must:
  - (i) within 20 Business Days of the SAU Commencement Date, seek views from Customers and Access Seekers on the standard terms of appointment of Pool Members;
  - (ii) otherwise from time to time seek views from Customers and Access Seekers on any variations to any Approved Pool Terms published pursuant to clause 2.2(e); and
  - (iii) notify Customers and Access Seekers of the deadline for submissions, which must be at least 15 Business Days after NBN Co requests their respective views under clause 2.2(a)(i) or 2.2(a)(ii).
- (b) NBN Co must:
  - (i) have regard to submissions received from Customers and Access Seekers prior to the deadline for submissions notified to the same by NBN Co pursuant to clause 2.2(a)(iii);

## Schedule 1H: Annexure 1 (Dispute Resolution)

- (ii) as soon as reasonably practicable and in any event within 20 Business Days following the deadline for submissions, prepare and submit to the ACCC draft standard terms of appointment for Pool Members or proposed variations to any published Approved Pool Terms (each the **Proposed Pool Terms**); and
  - (iii) publish the Proposed Pool Terms on NBN Co's Website, subject to redacting any personal or confidential information.
- (c) After receiving the Proposed Pool Terms, the ACCC must as soon as reasonably practicable and in any event within 20 Business Days (or such longer period notified by the ACCC to NBN Co), decide whether the ACCC approves the Proposed Pool Terms in the form submitted to it or subject to variation in the form required by the ACCC (**Approved Pool Terms**) and notify NBN Co of its decision.
- (d) The Approved Pool Terms must:
- (i) impose an obligation on each Pool Member to comply with his or her terms of appointment to the Pool;
  - (ii) impose an obligation to comply with any relevant Dispute Management Rules; and
  - (iii) provide for NBN Co to take all steps reasonably necessary to enforce any material non-compliance by a Pool Member with the terms of his or her appointment.
- (e) NBN Co must publish the current Approved Pool Terms on NBN Co's Website (subject to redacting any personal or confidential information).

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### 3 Panel

#### 3.1 Standard Panel Terms of Appointment

- (a) NBN Co must:
- (i) within 20 Business Days of the SAU Commencement Date, seek views from Customers and Access Seekers on the standard terms of appointment for members of a Panel (**Panel Members**);
  - (ii) otherwise from time to time seek views from Customers and Access Seekers on any variations to any Approved Panel Terms published pursuant to clause 3.1(f), save that this variation procedure shall not apply to variations made pursuant to clause 3.1(e); and
  - (iii) notify Customers and Access Seekers of the deadline for submissions, which must be at least 15 Business Days after NBN Co requests their respective views under clause 3.1(a)(i) or 3.1(a)(ii).
- (b) NBN Co must:
- (i) have regard to submissions received from Customers and Access Seekers prior to the deadline for submissions notified to the same by NBN Co pursuant to clause 3.1(a);
  - (ii) as soon as reasonably practicable and in any event within 20 Business Days following the deadline for submissions, prepare and submit to the ACCC a draft standard terms of appointment for Panel Members or proposed variations to any published Approved Panel Terms (each the **Proposed Panel Terms**); and

## Schedule 1H: Annexure 1 (Dispute Resolution)

- (iii) publish the Proposed Panel Terms on NBN Co's Website, subject to redacting any confidential information.
- (c) After receiving the Proposed Panel Terms, the ACCC must as soon as reasonably practicable and in any event within 20 Business Days (or such longer period notified by the ACCC to NBN Co), decide whether the ACCC approves the Proposed Panel Terms in the form submitted to it or subject to variation in the form required by the ACCC (**Approved Panel Terms**) and notify NBN Co of its decision.
- (d) The Approved Panel Terms must include a requirement that the Panel Member:
  - (i) comply with his or her terms of appointment to the Panel;
  - (ii) comply with any Dispute Management Rules; and
  - (iii) have regard to any Approved Dispute Guidelines published in accordance with clause 6, and provide for NBN Co to take all steps reasonably necessary to enforce any material non-compliance by a Panel Member with the terms of his or her appointment.
- (e) The Approved Panel Terms may provide for the Resolution Advisor prior to engagement of the Panel Members by the parties to the Dispute, or for the Panel following confirmation of its composition, to:
  - (i) insert into the Approved Panel Terms the details of the Dispute; and
  - (ii) specify in the Approved Panel Terms any special procedural steps considered by the Resolution Advisor or the Panel in its reasonable belief to aid the efficient resolution of the Dispute; and/or
  - (iii) vary the Approved Panel Terms where the parties to the Dispute and Panel Members agree to the variation.
- (f) NBN Co must publish the current Approved Panel Terms on NBN Co's Website (subject to redacting any personal or confidential information).

### 3.2 Appointment of Panel Members from outside Pool

- (a) Subject to clause 3.2(b), the Resolution Advisor may, in accordance with the Dispute Management Rules, select for appointment to a Panel a person whom he or she reasonably considers to be eligible and sufficiently skilled and experienced to perform that function, but who is not a member of the Pool and must notify the ACCC and NBN Co of such selection.
- (b) A person who is not a member of the Pool may only be appointed to a Panel under clause 3.2(a) if:
  - (i) in the Resolution Advisor's reasonable opinion, no member of the Pool is eligible for appointment to the Panel or sufficiently skilled and experienced to classify and resolve the Dispute; and
  - (ii) the ACCC has approved the person notified to the ACCC under clause 3.2(a).
- (c) A person selected for appointment to a Panel under clause 3.2(a) will be a Panel Member for the purposes of this Annexure 1 to Schedule 1H.

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## 4 Costs of retaining the Resolution Advisor and Pool Members

(a) NBN Co must:

- (i) pay the Resolution Advisor and/or Pool Members; and
- (ii) not charge Customers any fees or charges,

for the costs associated with the appointment and retention of the Resolution Advisor or Pool Members (if any). The costs of the Resolution Advisor and the Panel in respect of a Dispute will be shared equally amongst all of the parties to that Dispute.

(b) NBN Co will maintain records of any payments made by NBN Co to a Resolution Advisor and/or Pool Members in connection with the appointment of the Resolution Advisor or Pool Members.

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## Part B Termination of appointments

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### 5 Termination of appointment of Resolution Advisor or Pool Member

#### 5.1 Resignation of a Resolution Advisor

- (a) NBN Co must notify the ACCC and Customers in the event that a Resolution Advisor resigns or otherwise stops acting as soon as reasonably practicable and in any event within 5 Business Days after that resignation or cessation.

#### 5.2 Termination of the Resolution Advisor or Pool Member

- (a) If NBN Co reasonably believes that an event or circumstance has occurred or arisen that is likely to provide grounds for the termination of the appointment of a Resolution Advisor or Pool Member under clause 5.2(d), NBN Co must make a proposal to the ACCC to terminate the appointment of that Resolution Advisor or Pool Member.
- (b) If a Customer reasonably believes that an event or circumstance has occurred or arisen that is likely to provide grounds for the termination of the appointment of a Resolution Advisor or Pool Member under clause 5.2(d), it may make a proposal to the ACCC to terminate the appointment of that Resolution Advisor or Pool Member.
- (c) Where NBN Co or a Customer submits a proposal to the ACCC under clause 5.2(a) or 5.2(b):
- (i) the proposal must describe the event or circumstance giving rise to the belief that grounds for termination exist; and
  - (ii) subject to any applicable confidentiality obligations, NBN Co or the Customer must provide the ACCC with any further information reasonably requested by the ACCC in relation to the proposal.
- (d) Subject to clause 5.2(e), the ACCC may:
- (i) approve any proposal by NBN Co under clause 5.2(a); or
  - (ii) direct NBN Co (on its own initiative or following a proposal submitted by a Customer under clause 5.2(b)),

to terminate the appointment of a Resolution Advisor or a Pool Member:

## Schedule 1H: Annexure 1 (Dispute Resolution)

- (iii) if, in the ACCC's opinion, the Resolution Advisor or Pool Member has acted inconsistently with the terms of his or her appointment in a material way and it is appropriate in all the circumstances to terminate his or her appointment (which circumstances may include any failure of the Resolution Advisor or Pool Member to cure his or her non-compliance within 5 Business Days following receipt of written notice to do so from NBN Co);
- (iv) where the ACCC becomes aware that any information relating to a Resolution Advisor provided to it in the Resolution Advisor Nomination Notice, or relating to a Pool Member in the nomination notice provided under clause 2.1(c), was, or has become, incorrect, inaccurate or misleading; or
- (v) if, in the ACCC's opinion, the Resolution Advisor or Pool Member is, or is likely to be, unable to continue to perform his or her responsibilities as a Resolution Advisor or Pool Member:
  - (A) due to there being a real danger of bias on the part of that Resolution Advisor or Pool Member (as the case may be) that cannot be avoided by delegation of the functions of that Resolution Advisor or Pool Member in respect to a Dispute; or
  - (B) for a period of more than 10 Business Days due to ill health or other incapacity.
- (e) The ACCC must not require or permit NBN Co to terminate the appointment of a Pool Member during a period in which the Pool Member is empanelled as a Panel Member for a Dispute.
- (f) The ACCC must, as soon as reasonably practicable following receipt of a proposal made pursuant to clause 5.2(a) or 5.2(b), consider that proposal and notify the party making the proposal whether the ACCC will exercise its discretion under clause 5.2(d).
- (g) NBN Co must comply with any direction given by the ACCC pursuant to clause 5.2(d).

### 5.3 Replacement of a Resolution Advisor and appointment of an additional Resolution Advisor

(a) NBN Co must commence and comply with the procedure (including the consultation requirements described in clause 1.1 of this Annexure 1 to Schedule 1H) to appoint a new Resolution Advisor set out in this Annexure 1 to Schedule 1H:

(b) where there is a single Resolution Advisor appointed:

- (i) within 3 Business Days of receiving a:
  - (A) resignation notice from ~~the~~ Resolution Advisor; or
  - (B) receiving a notice from the ACCC of the ACCC's approval under clause 5.2(d)(i) or a direction pursuant to clause 5.2(d)(ii); or
- (ii) at least one calendar month prior to expiry of the term of appointment of a Resolution Advisor; or

~~(b)(c)~~ commence within 3 Business Days of notifying the procedure ACCC that NBN Co considers it necessary to appoint a new an additional Resolution Advisor (or an additional Nominated Person of an existing Resolution Advisor that is a body corporate) to meet the requirements set out in this Annexure 1 to Schedule 1H and the Dispute Management Rules.

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## Part C Other approvals

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### 6 Dispute Guidelines

- (a) Within 20 Business Days of the first appointment of a Resolution Advisor pursuant to clause 1.2(a)(i) and otherwise from time to time, NBN Co must seek views from:
- (i) Customers;
  - (ii) Access Seekers;
  - (iii) Resolution Advisor(s) (where appointed); and
  - (iv) Pool Members (where appointed),
- in relation to the guidelines to be applied by a Panel when considering a Dispute (including, but not limited to, decisions of the Panel relating to the joinder of parties to a Dispute) and advise each of them of the deadline for submissions, which must be at least 15 Business Days after NBN Co has requested their views.
- (b) NBN Co must:
- (i) have regard to submissions received from Customers, Access Seekers, Resolution Advisor(s) and Pool Members (where applicable) prior to the deadline for submissions notified to the same by NBN Co under clause 6(a);
  - (ii) as soon as reasonably practicable and in any event within 20 Business Days following the deadline for submissions notified by NBN Co under clause 6(a), prepare and submit to the ACCC a draft of the proposed guidelines to be applied to the consideration of Disputes (**Proposed Dispute Guideline**); and
  - (iii) publish the Proposed Dispute Guideline on NBN Co's Website, subject to redacting any personal or confidential information.
- (c) After receiving the Proposed Dispute Guideline, the ACCC must, as soon as practicable and in any event within 20 Business Days (or such longer period notified by the ACCC to NBN Co);
- (i) decide whether the ACCC approves the Proposed Dispute Guideline in the form submitted to it or requires NBN Co to incorporate variations to that Proposed Dispute Guideline specified by the ACCC (in either case, the **Approved Dispute Guideline**); and
  - (ii) notify NBN Co of its decision.
- (d) NBN Co must publish the Approved Dispute Guideline on NBN Co's Website, subject to redacting any personal or confidential information.

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### 7 Directions to Resolution Advisor

The ACCC may give directions to a Resolution Advisor from time to time in relation to the performance of his or her functions as a Resolution Advisor in accordance with his or her terms of appointment and the Approved Dispute Guidelines under this Annexure 1 to Schedule 1H.

## Part D Notices

### 8 Giving Notices

- (a) Any notice or communication to the ACCC made pursuant to this Annexure 1 to Schedule 1H must be sent to:

Email address: [ ] ~~michael.cosgrave@accc.gov.au~~

Mail address: ~~GPO Box 520, MELBOURNE VIC 3000~~ Level 17, 2 Lonsdale Street  
Melbourne VIC 3000

Attention: ~~Michael Cosgrave~~ Executive General Manager,  
Infrastructure Division

- (b) Any notice or communication to NBN Co made pursuant to this Annexure 1 to Schedule 1H must be sent to:

	Mail Address	Fax Number	Email Address	Attention
NBN Co	Level <del>11</del> <u>13</u> 100 <del>Arthur</del> <u>Mount</u> Street, North Sydney NSW 2060	+61 2 992 <del>67</del> <u>19014132</u>	[ ]	Chief Legal <del>Counsel</del> <u>&amp; Regulatory Officer</u>  and  <u>Head of Regulatory Affairs &amp; Industry Analysis</u>

- (c) NBN Co and the ACCC must notify each other of any change to its contact details within 3 Business Days of the change occurring.

## 9 Definitions and Interpretation

### 9.1 Definitions

**Approved Dispute Guideline** has the meaning given to that term in clause 6(c)(i) of this Annexure 1 to Schedule 1H.

**Approved Panel Terms** means the standard terms of appointment of Panel Members approved by the ACCC from time to time pursuant to clause 3 of this Annexure 1 to Schedule 1H and published on the NBN Co Website.

**Approved Pool Terms** mean the standard terms of appointment of Pool Members approved by the ACCC from time to time pursuant to clause 2.2 of this Annexure 1 to Schedule 1H and published on the NBN Co Website.

**Billing Dispute** means a dispute between the parties which arises because an Access Seeker who is a party to an Access Agreement, acting reasonably, considers there is an error in:

- (a) the amount of an invoice payable by the Access Seeker under an Access Agreement; or

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(b) the amount of any Discount provided by NBN Co under an Access Agreement.

**Dispute** means a dispute arising between the parties under the Access Agreement between the parties that is not a Billing Dispute.

**Dispute Management Rules** means the provisions relating to dispute resolution in an Access Agreement that are relevant to resolving the Dispute.

**Dispute Resolution Practitioner** means a practising mediator, expert or arbitrator with at least 10 years dispute resolution experience.

**Entity Connected** has the meaning given in the *Corporations Act 2001* (Cth).

**Legal Practitioner** means a current or former solicitor, barrister, magistrate or judge in good standing with the legal profession in Australia with at least 10 years legal experience.

**Nominated Person** means an officer or employee of a Proposed Resolution Advisor or Resolution Advisor that is a body corporate, who is responsible for supervising the performance of the functions of the Resolution Advisor delegated by the body corporate in accordance with clause 1.1(f) of this Annexure 1 to Schedule 1H, as identified in:

(a) [a Resolution Advisor Nomination Notice; and](#)

(b) [where applicable, the terms of appointment of the Resolution Advisor.](#)

**Panel** means a panel of three arbitrators, or such other number of arbitrators as may be agreed by the parties to a Dispute, constituted by the Resolution Advisor to resolve a Dispute.

**Panel Arbitration** means an arbitration conducted by the Panel.

**Panel Member** has the meaning given to that term in clause 3.1(a)(i) of this Annexure 1 to Schedule 1H.

**Pool** means the pool of persons constituted in accordance with clause 2 of this Annexure 1 to Schedule 1H.

**Pool Member** has the meaning given to that term in clause 2.1(a) of this Annexure 1 to Schedule 1H.

**Proposed Dispute Guideline** has the meaning given to that term in clause 6(b)(ii) of this Annexure 1 to Schedule 1H.

**Proposed Resolution Advisor** means a candidate nominated by NBN Co to the ACCC in a Resolution Advisor Nomination Notice for appointment as a Resolution Advisor.

**Related Entity** has the meaning given to that term in the *Corporations Act 2001* (Cth).

**Related Party** has the meaning given to that term in the *Corporations Act 2001* (Cth).

**Resolution Advisor** means the person or persons appointed as such in accordance with clause 1.2 of this Annexure 1 to Schedule 1H.

**Resolution Advisor Nomination Notice** has the meaning in clause 1.1(b)(i) of this Annexure 1 to Schedule 1H.

## 9.2 Interpretation

Unless the context otherwise requires, in this Annexure 1 to Schedule 1H:

(a) reference to a clause is a reference to a clause of this Annexure 1 to Schedule 1H; and



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(b) capitalised terms:

- (i) if defined in this clause 9, have the meaning set out in clause 9; or
- (ii) if not defined in clause 9, have the same meaning as set out in Attachment C (Dictionary) of this Special Access Undertaking.

## Appendix 1 Resolution Advisor Nomination Notice

This form sets out the information required by the ACCC in relation to the proposed appointment of the Resolution Advisor under this Special Access Undertaking:

### Method of Delivery to the ACCC

The completed nomination form, along with all additional information requested by the ACCC is to be provided to the ACCC with the subject line “*Resolution Advisor Nomination Form – NBN Co Special Access Undertaking*” to the below addresses:

[Attention: Group General Manager, Communications Group  
GPO Box 520  
MELBOURNE VIC 3000]

With email copies sent to: [ ]; and

Attention: [ ]

### Information Required

The ACCC requires the following information in order to assess a Proposed Resolution Advisor:

1. Proposed Resolution Advisor Details:

- (a) the name of the Proposed Resolution Advisor; ~~and~~
- (b) the name of any Nominated Person(s) where the Proposed Resolution Advisor is a body corporate (if applicable); and
- ~~(b)~~(c) the name of the Proposed Resolution Advisor's and any Nominated Person's employer (if applicable) and contact details including:
  - Address;
  - Contact name;
  - Telephone number; and
  - Other contact details.

2. A submission containing the following information:

- (a) Details of the Proposed Resolution Advisor's and any Nominated Person's qualifications and experience relevant to his or her proposed role pursuant to this Special Access Undertaking.

## Schedule 1H: Annexure 1 (Dispute Resolution)

- (b) The names of the owner/s and/or the directors of the Proposed Resolution Advisor's employer (if applicable).
- (c) Details of any of the following types of relationships between NBN Co or any Customer and the Proposed Resolution Advisor, [any Nominated Person](#) or the Proposed Resolution Advisor's employer (if applicable), or confirmation that no such relationship exists whether within Australia or outside of Australia:
- i. NBN Co or a Customer and the Proposed Resolution [Advisor or the Proposed Resolution](#) Advisor's employer [\(if applicable\)](#) are Associated Entities within the meaning given by section 50AAA of the *Corporations Act 2001* (Cth).
  - ii. NBN Co or a Customer is an Entity Connected with the Proposed Resolution [Advisor or the Proposed Resolution](#) Advisor's employer [\(if applicable\)](#).
  - iii. The Proposed Resolution [Advisor or the Proposed Resolution](#) Advisor's employer [\(if applicable\)](#) is an Entity Connected with NBN Co or a Customer.
  - iv. NBN Co or a Customer and the [Proposed Resolution Advisor or the Proposed Resolution](#) Advisor's employer [\(if applicable\)](#) are Related Entities.
  - v. NBN Co or a Customer and the Proposed Resolution [Advisor or the Proposed Resolution](#) Advisor's employer [\(if applicable\)](#) are Related Parties.
  - vi. Any Related Party, Related Entity or Entity Connected with NBN Co or a Customer is a Related Party, Related Entity or Entity Connected with the Proposed Resolution Advisor [and any Nominated Person \(if applicable\)](#).
  - vii. NBN Co and the Proposed Resolution Advisor, [any Nominated Person](#) or the Proposed Resolution Advisor's employer [\(if applicable\)](#) have a contractual relationship or had one within the past three years, other than those attached to this form (excluding any prior or existing appointment to the role of Resolution Advisor).
  - ix. The Proposed Resolution Advisor's employer [\(if applicable\)](#) is a supplier to NBN Co or a Customer or has been in the past three years (excluding any prior or existing appointment to the role of Resolution Advisor).
  - xi. Any other relationship between NBN Co or a Customer and the Proposed Resolution Advisor, [any Nominated Person](#) or the Proposed Resolution Advisor's employer [\(if applicable\)](#) that allows one to affect the business decisions of the other.
- (d) Details of whether NBN Co or any Customer is a supplier to the Proposed Resolution Advisor, [any Nominated Person](#) or the Proposed Resolution Advisor's employer (if applicable) or has been in the past three years.
3. A document outlining the terms of appointment of the Proposed Resolution Advisor.

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## Schedule 1I Product Development and Withdrawal

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### 1I.1 General

#### 1I.1.1 Scope

- (a) This Schedule 1I applies for the Initial Regulatory Period.
- (b) Notwithstanding any provision in this Schedule 1I, NBN Co must, during the period in which they apply, comply with clauses 1D.8 to 1D.12 in relation to the identification, selection, consultation and endorsement of any Network Change.

#### 1I.1.2 Product development principles

- (a) The following general principles apply to NBN Co's development of Products, Product Components, Product Features, Ancillary Services and types of Facilities Access Service (referred to collectively in this Schedule 1I as **Products**, unless the contrary intention appears):
  - (i) NBN Co is committed to developing Products that Access Seekers want, that have sufficient demand to be commercially viable and from which Access Seekers gain value;
  - (ii) NBN Co's obligations:
    - (A) to implement Australian Government policy communicated to it (including in the Statement of Expectations) by the Shareholder Ministers; and
    - (B) under the CCA and the NBN Companies Act,
 

determine the permitted scope of its activities and the Products that it can develop and supply, including the requirement that all Products be available on a wholesale-only, open access, non-discriminatory basis, to all Access Seekers; and
  - (iii) NBN Co wishes to encourage Access Seeker and Consumer Advocacy Group participation in the design of Products, and facilitate engagement and consultation in relation to Product Ideas, to enable NBN Co to fulfil the commitment described in clause 1I.1.2(a)(i) in a manner consistent with NBN Co's scope of permitted activities as described in clause 1I.1.2(a)(ii).
- (b) Accordingly, NBN Co will utilise a product development process which seeks Access Seeker and Consumer Advocacy Group input as part of the process of developing detailed design requirements.

#### 1I.1.3 Application of this Schedule

- (a) This Schedule 1I sets out the process that NBN Co will apply to the introduction, variation or withdrawal of Products.
- (b) This Schedule 1I does not apply in respect of any of the following:
  - (i) the introduction of a Product that is an Initial Product;
  - (ii) the introduction of a Product that NBN Co is obliged to offer as a result of a licence condition imposed under section 41(1) of the NBN Companies Act, but only to the extent that the specification of that Product is prescribed by that licence condition;

(iii) a Competitive Service;

## Schedule 11 (Product Development and Withdrawal)

~~(iii)~~(iv) a minor variation or enhancement to a Product within the terms of clause 11.4; and

~~(iv)~~(v) subject to clause 11.5.4(b), the withdrawal of a Product that NBN Co is required to withdraw for the reasons referred to in clause 11.5.4.

## 11.2 Integrated Product Roadmap

- (a) NBN Co will publish and maintain an integrated product roadmap.
- (b) On or around 1 July each year, NBN Co will publish an updated integrated product roadmap setting out the Products then offered by NBN Co and the new Products that NBN Co expects (as at the date the updated roadmap is published) to introduce in the 3 years following the date of publication.
- (c) The integrated product roadmap will also specify any developments in relation to NBN Co's IT and operational support systems that NBN Co expects (as at the date the updated integrated product roadmap is published) to implement in the 3 years following the date of publication and that will impact upon the Products set out on the integrated product roadmap.
- (d) The integrated product roadmap will be made available on NBN Co's Website.

## 11.3 Development

### 11.3.1 Product Development Forum

- (a) NBN Co will implement a product development process through which NBN Co will engage with Access Seekers and Consumer Advocacy Groups in respect of Product development (**Product Development Forum**).
- (b) NBN Co will make the Product Development Forum open to participation by all Access Seekers and Consumer Advocacy Groups.
- (c) NBN Co will ensure that the Product Development Forum:
  - (i) identifies and records all Product Ideas;
  - (ii) is the primary forum through which:
    - (A) Product Ideas are developed, refined and disseminated; and
    - (B) NBN Co will undertake the engagement and endorsement processes under clause 1D.9;
  - (iii) facilitates an open and consultative dialogue with Access Seekers and Consumer Advocacy Groups in respect of Product Ideas for new Products and for enhancements and variations to existing Products, whilst respecting the confidential information and Intellectual Property Rights of Access Seekers and Consumer Advocacy Groups;
  - (iv) provides for the development of Product Ideas into Products to be offered to Access Seekers;
  - (v) provides for Access Seekers and Consumer Advocacy Groups to:
    - (A) obtain information about NBN Co's integrated product roadmap, including existing Products;

## Schedule 1I (Product Development and Withdrawal)

- (B) assist NBN Co to determine whether there is sufficient demand for proposed Product Ideas; and
- (C) provide information and input to assist NBN Co to determine which Product Ideas to develop and in which order of priority; and
- (vi) provides for NBN Co to discuss, and Access Seekers and Consumer Advocacy Groups to provide feedback in relation to, the withdrawal of Products and related issues.

**11.3.2 Processes relating to the Product Development Forum**

- (a) NBN Co will comply with the PDF Processes during the period in which they apply in accordance with clause 1I.1.1(a).
- (b) To participate in the Product Development Forum, Access Seekers and Consumer Advocacy Groups will be required to comply with the PDF Processes during the period in which they apply in accordance with clause 1I.1.1(a).
- (c) NBN Co may require that an Access Seeker or Consumer Advocacy Group (as the case may be) enter into an agreement regarding the treatment of the confidential information and intellectual property that may be disclosed or created in connection with each party's participation in the Product Development Forum.
- (d) For the purposes of clause 11.3.2(c), an agreement regarding the treatment of confidential information and intellectual property will be on such terms and conditions:
  - (i) as agreed between NBN Co and the relevant Access Seeker or Consumer Advocacy Group; or
  - (ii) failing agreement, as may be determined by the ACCC, including in any Regulatory Determination made by the ACCC.

**11.3.3 Assessment of Product Ideas**

NBN Co will consider, and may weigh as it considers appropriate, such criteria as it determines appropriate in selecting which Product Ideas to develop through the Product Development Forum. Consistent with the general principles set out in clause 1I.1.2, those criteria may include the following:

- (a) whether the Product Idea is within NBN Co's permitted scope of activities;
- (b) whether there is sufficient demand or potential demand for the Product Idea;
- (c) whether the Product Idea will be commercially viable;
- (d) whether the Product Idea is technically and operationally viable;
- (e) whether expenditure on the Product Idea will, or is reasonably likely to, meet the requirements specified:
  - (i) in the case of Capital Expenditure, clause 1D.3.2(a); or
  - (ii) in the case of Operating Expenditure, clause [1E.7.2\(a\)](#)~~1E.8.2(a)~~;
- (f) the Intellectual Property Rights that may be required to develop the Product Idea; and
- (g) any other factor that NBN Co reasonably considers should be taken into account.

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**11.3.4 Pricing of new Products**

Prior to introducing a new Product which has been the subject of a Product Idea developed through the Product Development Forum, NBN Co will consult with Access Seekers and Consumer Advocacy Groups through the Product Development Forum in relation to the Price or Prices at which such new Products will be introduced by NBN Co for all Customers.

**11.3.5 Technical attributes for new Products**

Prior to introducing a new Product which has been the subject of a Product Idea developed through the Product Development Forum, NBN Co will consult with Access Seekers and Consumer Advocacy Groups through the Product Development Forum in relation to the technical attributes, including the network technology, network architecture, network dimensioning and congestion management, applicable to that new Product.

**11.3.6 Service levels for new Products**

Prior to introducing a new Product which has been the subject of a Product Idea developed through the Product Development Forum, NBN Co will consult with Access Seekers and Consumer Advocacy Groups through the Product Development Forum in relation to:

- (a) the service levels applicable to such a new Product (including any remedies which may apply for breach of the service levels); or
- (b) if NBN Co is unable to offer service levels (including any applicable remedies) prior to the introduction of a new Product, the estimated timetable and process of consultation in relation to the introduction of such service levels (including any applicable remedies).

**11.3.7 Implementation of Product Developments**

Nothing in this Schedule 1I or Annexure 1 (PDF Processes) requires NBN Co to implement a Product Idea or provide a new Product which is, or requires, a Network Change, unless:

- (a) the Network Change:
  - (i) is an Endorsed Network Change in accordance with the process described in clauses 1D.8 to 1D.12; or
  - (ii) is a Network Change as otherwise determined or permitted by the ACCC, including in any Regulatory Determination made by the ACCC; and
- (b) NBN Co decides to proceed with that Network Change.

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**11.4 Minor Product Changes**

- (a) Notwithstanding anything to the contrary in this Schedule 1I, NBN Co may carry out minor product variations or enhancements which update or improve the functionality or performance of a Product and which will have no material adverse impact on Access Seekers (in this clause 11.4, **Minor Product Variation**), including where the Minor Product Variation is related to a Permitted Variation.
- (b) For Minor Product Variations, NBN Co will use the Product Development Forum to notify Access Seekers and Consumer Advocacy Groups of the proposed change and implementation timeframe, including through the integrated product roadmap.

## Schedule 11 (Product Development and Withdrawal)

- (c) NBN Co will ensure that the withdrawal of the supply of a Product is not treated as a Minor Product Variation.

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## 11.5 Withdrawal

### 11.5.1 Non-circumvention

- (a) NBN Co will not vary any Product in a manner that changes the functionality, performance or features of that Product to such an extent that results in the Product no longer being reasonably capable of delivering at least the same functionality, performance or features previously associated with the Product.
- (b) Subject to clause 11.4, if NBN Co wishes to vary a Product in a manner described in clause 11.5.1(a), NBN Co will seek to withdraw the Product under this clause 11.5 and to introduce a new Product in accordance with this Schedule 11.

### 11.5.2 Notice period for Withdrawals

- (a) Subject to clause 11.5.3, NBN Co may withdraw a Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service and will provide the ACCC, Access Seekers and Consumer Advocacy Groups with no less than:
- (i) 24 months' written notice of its intention to withdraw a Product, Product Component, Ancillary Service or type of Facilities Access Service, ~~other than the ISS in respect of which NBN Co will provide no less than 6 months' written notice;~~
  - (ii) subject to clause 11.5.2(a)(iii), 12 months' written notice of its intention to withdraw a Product Feature; and
  - (iii) 24 months' written notice of its intention to withdraw a Product Feature where withdrawal will have a material adverse effect on the functionality or performance of a Product or Product Component with which the Product Feature is associated.
- (b) NBN Co will have regard to the following factors when considering whether to withdraw a Product:
- (i) existing demand for the Product;
  - (ii) the avoidable cost to NBN Co of maintaining and continuing to supply the existing Product;
  - (iii) the functionality offered by an alternative Product compared to the relevant Product to be withdrawn;
  - (iv) the technical feasibility of an alternative Product;
  - (v) the commercial viability of an alternative Product; and
  - (vi) the Price of an alternative Product.
- (c) In the written notice provided pursuant to clause 11.5.2(a), NBN Co will also provide the ACCC, Access Seekers and Consumer Advocacy Groups with notice of:
- (i) the transitional arrangements that NBN Co may put in place (if any) to migrate Access Seekers from the relevant Product to an alternative Product, including:
    - (A) the proposed alternative Product;

## Schedule 11 (Product Development and Withdrawal)

- (B) the proposed timeframe for migration to that alternative Product;
  - (C) the proposed testing arrangements for the alternative Product; and
  - (D) the details of any proposed trials or transition processes for the alternative Product, or  
if NBN Co will not offer an alternative Product, NBN Co's reasons for not doing so; and
- (ii) NBN Co's assessment of the factors set out in clause 11.5.2(b).
- (d) NBN Co will discuss and consider in good faith any feedback received from the ACCC, Access Seekers and Consumer Advocacy Groups in relation to the impending withdrawal of a Product and related issues, such as those set out in clause 11.5.2(c)(i).

**11.5.3 ACCC objection power**

- (a) If NBN Co seeks to withdraw a Product in accordance with clause 11.5.2(a), the ACCC may object to the withdrawal of that Product.
- (b) If the ACCC objects to the withdrawal of a Product, the ACCC must give NBN Co a written notice stating its objection and providing reasons for its objection and publish any notice (and reasons) issued under this clause 11.5.3(b) on the ACCC's website.
- (c) In making a decision to issue a notice under clause 11.5.3(b), the ACCC:
- (i) will have regard to the long-term interests of end-users in accordance with section 152AB of the CCA;
  - (ii) will have regard to the factors listed in clause 11.5.2(b); and
  - (iii) may consult with NBN Co and such other persons as the ACCC considers appropriate.
- (d) Any notice issued by the ACCC under clause 11.5.3(b) must be issued within the period of 60 Business Days from the date on which NBN Co notified the ACCC of its intention to withdraw a Product in accordance with clause 11.5.2(a).
- (e) The ACCC may extend the period referred to in clause 11.5.3(d) by a period of not more than 40 Business Days by giving written notice to NBN Co and publishing that notice on the ACCC's website.
- (f) If the ACCC issues a notice under clause 11.5.3(b), NBN Co must:
- (i) inform Access Seekers and Consumer Advocacy Groups in writing that the Product will not be withdrawn; and
  - (ii) not withdraw the Product the subject of the notice for the period specified by the ACCC in that notice which must not be more than 5 years (but may be less than 5 years, as specified by the ACCC).
- (g) If the ACCC gives a notice pursuant to clause 11.5.3(b), NBN Co may give a further notice pursuant to clause 11.5.2(a) in respect of the Product the subject of the ACCC's notice, provided that the withdrawal of that Product will not occur before the end of the period specified by the ACCC in that notice and, where NBN Co gives a further notice, the provisions of this clause 11.5.3 will apply in respect of that further notice.



Schedule 11 (Product Development and Withdrawal)

**11.5.4 Product withdrawal required by law or directed by Shareholder Ministers**

- (a) Subject to clause 11.5.4(b), this clause 11.5 does not apply to the withdrawal of a Product that NBN Co is required by law or a Shareholder Minister to withdraw or which NBN Co is prohibited from providing under section 41(3) of the NBN Companies Act.
- (b) In the event of a withdrawal of a Product on the grounds referred to in clause 11.5.4(a), NBN Co will, to the extent permitted by law and consistent with any temporal requirements for the withdrawal imposed on NBN Co by law or by the Shareholder Minister (as the case may be):
  - (i) provide Access Seekers, Consumer Advocacy Groups and the ACCC with written notice of the withdrawal within 20 Business Days of NBN Co being made aware of the requirement to withdraw the Product; and
  - (ii) consult with, and consider any feedback received from, Access Seekers, Consumer Advocacy Groups and the ACCC in relation to the impending withdrawal and related issues, such as those set out in clause 11.5.2(c)(i).

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## Annexure 1 PDF Processes

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### Background

- A. NBN Co has established a Product Development Forum, through which NBN Co will:
- i. seek feedback from Access Seekers and Consumer Advocacy Groups on Product Ideas as required by Schedule 11 (Product Development and Withdrawal); and
  - ii. engage with Access Seekers and Consumer Advocacy Groups on future investments in network changes which are required to implement Product Ideas as required by the process specified in clauses 1D.8 to 1D.12 of this Special Access Undertaking.
- B. These PDF Processes set out the basis on which NBN Co will engage with Access Seekers and Consumer Advocacy Groups through the Product Development Forum.

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### 1 Objectives of the PDF

- (a) NBN Co is committed to implementing Product Ideas that Access Seekers want, that have sufficient demand to be commercially viable, and from which Access Seekers gain value.
- (b) The Product Development Forum is designed to promote innovation in NBN Co's development of Product Ideas.

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### 2 Membership of the PDF

- (a) Each Access Seeker and Consumer Advocacy Group that wishes to participate in the Product Development Forum must register an authorised representative through NBN Co's Website who will liaise with NBN Co in relation to the Product Development Forum (the **PDF Representative**). NBN Co will send all correspondence regarding the Product Development Forum to that PDF Representative.
- (b) Each Access Seeker and Consumer Advocacy Group acknowledges that, as a condition of that entity's participation in the Product Development Forum, NBN Co requires agreement to the terms and conditions which are set out in these PDF Processes.
- (c) Each Access Seeker and Consumer Advocacy Group must ensure that NBN Co's Website contains up-to-date details of the name, mail address, email address and fax number for its PDF Representative.
- (d) Each Access Seeker and Consumer Advocacy Group must update the details of its PDF Representative on NBN Co's Website to ensure such details remain up-to-date.
- (e) NBN Co may implement security procedures for participation in the Product Development Forum from time to time (such as authentication of identity), details of which will be available to Access Seekers and Consumer Advocacy Groups on NBN Co's Website. Access Seekers and Consumer Advocacy Groups must comply with all such procedures.
- (f) In addition to any other right or remedy available to NBN Co-, if an Access Seeker or Consumer Advocacy Group fails to comply with these PDF Processes in relation to the development of a particular Product Idea, NBN Co may, acting reasonably, suspend that entity's involvement in the Product Development Forum in relation to that Product Idea on a temporary or permanent basis.

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### 3 Specific information requests for development of ideas

- (a) Access Seekers and Consumer Advocacy Groups may request specific information regarding NBN Co Networks for the purpose of developing Product Ideas.
- (b) If information is requested by an Access Seeker or Consumer Advocacy Group under clause 3(a), NBN Co must consider that request in good faith.

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## 4 Submitting an idea to the PDF

### 4.1 Idea submission

- (a) If an Access Seeker or Consumer Advocacy Group wants NBN Co to consider a Product Idea, that Access Seeker or Consumer Advocacy Group, as the case may be (**Submitting Party**), may submit details of the Product Idea using the features provided on NBN Co's Website for that purpose.
- (b) The Submitting Party may include the following details in relation to a Product Idea:
  - (i) a detailed description of the concept of the Product Idea;
  - (ii) a service and functionality description for the Product Idea;
  - (iii) the proposed commercial use for the Product Idea;
  - (iv) the proposed service levels (including any remedies which may apply for breach of the service levels) that are proposed to apply to the Product Idea;
  - (v) any assessment of the technical feasibility of the Product Idea undertaken by, or available to, the Submitting Party;
  - (vi) any forecast data, demand analysis or modelling it has regarding the potential demand for the Product Idea (including the reliability of that data);
  - (vii) any Intellectual Property Rights which NBN Co may have to license, or acquire licences for, to develop and implement the Product Idea;
  - (viii) any information which is confidential; and
  - (ix) such other information as may be requested by NBN Co on NBN Co's Website from time to time.
- (c) To the extent possible, a Submitting Party should submit a Product Idea as a generic, Layer 2, wholesale only concept.

### 4.2 Idea prioritisation

- (a) NBN Co may at any time suspend or change the priority of the assessment and development of Product Ideas based on factors including:
  - (i) the amount and detail of information available to NBN Co;
  - (ii) NBN Co's confidence regarding the commercial, technical or regulatory viability of the Product Idea;
  - (iii) the utility of the proposed Product Idea (by reference to the long-term interest of end-users or directions from its shareholders);

## Schedule 11: Annexure 1 (PDF Processes)

- (iv) the demand for specific Product Ideas from Access Seekers;
  - (v) the demonstrated need for the Product Idea;
  - (vi) the level of engagement of the Submitting Party in the assessment and development of the Product Idea; and
  - (vii) government policy.
- (b) Prioritisation under clause 4.2(a) will affect both the schedule for assessment and development of a Product Idea and the resources committed by NBN Co to the development of that Product Idea.

### 4.3 Publication of ideas

- (a) As soon as possible after receiving a Product Idea from an Access Seeker or Consumer Advocacy Group, and such additional information listed in clause 4.1(b) as is available, NBN Co will inform all Access Seekers and Consumer Advocacy Groups that have registered to participate in the Product Development Forum of the Product Idea and any associated information NBN Co has received, subject to the confidentiality and intellectual property requirements of the Submitting Party.
- (b) NBN Co will inform all Access Seekers and Consumer Advocacy Groups that have registered to participate in the Product Development Forum of any Product Idea that NBN Co proposes (**NBN Co Product Idea**) and information about that Product Idea including, but not limited to, information of the kind listed in clause 4.1(b).

~~(c) NBN Co will maintain a register of Product Ideas (**Product Ideas Register**) submitted and under consideration and NBN Co Product Ideas on an area of NBN Co's Website which will only be made available to NBN Co and Access Seekers and Consumer Advocacy Groups that have registered to participate in the Product Development Forum.~~

~~(d) NBN Co will:~~

~~(i) update the Product Ideas Register as soon as possible after:~~

~~(A) receiving a Product Idea pursuant to clause 4.1(a); and~~

~~(B) proposing a Product Idea pursuant to clause 4.3(b); and~~

~~(ii) make the following information available on the Product Ideas Register in respect of each Product Idea on that register:~~

~~(A) information of the type set out in clause 4.1(b), subject to applicable confidentiality and intellectual property requirements;~~

~~(B) the date that the Product Idea was received by NBN Co or was proposed by NBN Co;~~

~~(C) the date that the Product Idea was included on the register;~~

~~(D) the status of NBN Co's decision regarding whether to develop the Product Idea; and~~

~~(E) the status of the development of that Product Idea.~~

~~(e) NBN Co will, from time to time, update the Product Ideas Register in respect of the information referred to in clauses 4.3(d)(ii)(D) and 4.3(d)(ii)(E) (including whether the Product Idea has been rejected).~~

~~(f)(c)~~ NBN Co will:

## Schedule 11: Annexure 1 (PDF Processes)

- (i) as soon as possible after receiving a Product Idea and such additional information listed in clause 4.1(b) as is available, provide the Submitting Party with an estimate for when NBN Co expects to conduct an initial review of the Product Idea; and
- (ii) update the Submitting Party if there are material changes to the estimate provided under clause ~~4.3(c)(i)~~ ~~4.3(f)(i)~~.

~~(g)~~(d) NBN Co will, when it informs Access Seekers and Consumer Advocacy Groups of a Product Idea under clause 4.3(a) or 4.3(b), invite submissions from Access Seekers and Consumer Advocacy Groups in respect of the Product Idea. NBN Co will consider any submissions received from Access Seekers and Consumer Advocacy Groups in assessing the Product Idea in accordance with clause 5.

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## 5 NBN Co's assessment of a Product Idea

### 5.1 Criteria for assessment

NBN Co will assess Product Ideas in accordance with Schedule 11 (Product Development and Withdrawal).

### 5.2 Assessment based on information provided

- (a) Upon receiving a Product Idea from an Access Seeker or Consumer Advocacy Group, NBN Co may seek and consider further information from the Submitting Party in assessing the Product Idea.
- (b) If NBN Co does not seek further information about a Product Idea under clause 5.2(a), NBN Co may rely solely upon the information provided by the Submitting Party to assess the Product Idea under this clause 5.

### 5.3 Initial assessment

- (a) In initially assessing a Product Idea using the criteria in Schedule 11 (Product Development and Withdrawal), NBN Co will take into consideration that the Product Idea is at an initial stage of development and is likely to be refined and amended through the Product Development Forum.
- (b) NBN Co will, in particular, make allowances in its initial assessment of a Product Idea for:
  - (i) information asymmetry between NBN Co and the Submitting Party; and
  - (ii) information available specifically to the Submitting Party regarding ascertainable demand for the Product Idea.

### 5.4 Output from NBN Co's initial assessment

- (a) Following its initial assessment of a Product Idea, if in its absolute discretion NBN Co decides to develop the Product Idea, it will, in addition to any other requirements under clauses 1D.8 to 1D.12 of this Special Access Undertaking, publish a summary of the Product Idea, including proposed features, functionality, product specification, technical specification, price related terms and service levels (including any remedies which may apply for breach of the service levels) as refined by NBN Co (a **Product Construct Paper**).
- (b) To the extent practical, NBN Co will also include in the Product Construct Paper:
  - (i) pre-conditions for an Access Seeker using the Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service proposed in the Product Idea (if any);

## Schedule 11: Annexure 1 (PDF Processes)

- (ii) a summary of the criteria that NBN Co used to decide to develop the Product Idea;
  - (iii) without limiting clause 4.2, NBN Co's intentions, at the time of issuing the Product Construct Paper, as to the priority to be given to developing the Product Idea;
  - (iv) resources that may be required to use the Product, Product Component or Product Feature proposed in the Product Idea; and
  - (v) NBN Co's reasons for refining the Product Idea as reflected in the Product Construct Paper.
- (c) When NBN Co publishes a Product Construct Paper and documents under clause 5.4(a) and no exception from the Product Development Forum applies under the terms of Schedule 11 (Product Development and Withdrawal), NBN Co will also provide Access Seekers and Consumer Advocacy Groups with supplementary information regarding the Access Seeker and Consumer Advocacy Group Consultation processes that will be used to develop the Product Idea, as described in clauses 6 and 7 (together, the **Idea Development Plan**).
- (d) For the avoidance of doubt, the requirements in this clause 5.4 apply to an NBN Co Product Idea notified by NBN Co in accordance with clause 4.3(b).

## 5.5 Ongoing assessment

At any time between initial assessment of a Product Idea under clause 5.3 and NBN Co's offer of the Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service proposed in the Product Idea to Access Seekers, NBN Co may in its absolute discretion decide to stop developing the Product Idea.

## 5.6 Rejection of Product Ideas

Following assessment of a Product Idea either under clauses 5.3 or 5.5, if NBN Co decides in its absolute discretion not to develop the Product Idea, it will publish a notice to that effect to the Product Development Forum (a **Rejection Notice**) giving specific reasons for NBN Co deciding not to develop the Product Idea.

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# 6 Workshops

## 6.1 Form and structure of Workshops

- (a) As part of an Idea Development Plan for a Product Idea, NBN Co may, after considering the subject matter and nature of a Product Idea, arrange workshops which will be held with Access Seekers and Consumer Advocacy Groups to develop the Product Idea (**Workshops**). If NBN Co does not convene Workshops, it will seek the input of Access Seekers and Consumer Advocacy Groups through alternative means suited to the particular Product Idea (for example, by seeking written submissions).
- (b) Workshops convened under clause 6.1(a) will vary depending on requirements specific to the Product Idea but, as permitted by law, may include:
- (i) commercial workshops;
  - (ii) technical and engineering workshops;
  - (iii) operational and support workshops; and
  - (iv) workshops regarding service levels (including any remedies which may apply for breach of the service levels).

## Schedule 11: Annexure 1 (PDF Processes)

- (c) As part of the Idea Development Plan for a Product Idea, NBN Co will set out the operational structure of the Workshops, which may vary depending on the Product Idea being developed but may include:
  - (i) online collaboration (for example using wikis or shared documents);
  - (ii) mailing list discussions;
  - (iii) teleconferences;
  - (iv) video conferences; and
  - (v) face-to-face meetings.
- (d) All Workshop discussions and contributions are without prejudice.

## 6.2 NBN Co will facilitate Workshops

- (a) If Workshops are convened under these PDF Processes, NBN Co will organise and chair (or moderate, if applicable) those Workshops. NBN Co will organise Workshops to conform to the Idea Development Plan to the extent practical and desirable (for example, by setting schedules for Workshop discussions which ensure the Product Idea can be finalised within the time estimated in the Idea Development Plan). NBN Co will ensure that participants have reasonable prior notice of each Workshop.
- (b) NBN Co will co-ordinate communications between Workshops and may, if necessary or desirable, convene meetings or merge discussions of representatives from multiple Workshops for efficiency or to reconcile differences in Product Idea development.
- (c) As a Product Idea is developed through Workshops, NBN Co will from time to time issue updated:
  - (i) Product Construct Papers and associated documents to reflect refinements and changes proposed in the Workshops; and
  - (ii) Idea Development Plans to add, consolidate, change or remove Workshops, change the operational structure of existing Workshops or change the schedule and resources dedicated to the Product Idea.

## 6.3 Participation in Workshops

- (a) Subject to compliance with these PDF Processes including clause 2, Access Seekers and Consumer Advocacy Groups may participate in each Workshop. If an Access Seeker or Consumer Advocacy Group declines or fails to participate in a Workshop at any time, the Access Seeker or Consumer Advocacy Group may not subsequently amend or query the results or contributions achieved by that Workshop during the period in which the Access Seeker or Consumer Advocacy Group did not participate in the Workshop.
- (b) If an Access Seeker or Consumer Advocacy Group representative to a Workshop does not have sufficient authority, knowledge, experience or expertise to participate fully in a Workshop, NBN Co may raise the issue with that entity's PDF Representative or other appropriate relationship manager.

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## 7 Formal Submissions

### 7.1 NBN Co may invite Formal Submissions

- (a) From time to time after a Product Construct Paper and any associated papers have been released, NBN Co may request formal submissions from Access Seekers and Consumer Advocacy Groups in relation to a Product Idea described in those documents (each a **Formal Submission**).
- (b) NBN Co may notify Access Seekers and Consumer Advocacy Groups that Formal Submissions are required by a particular deadline, which NBN Co will ensure is reasonable in all the circumstances.
- (c) NBN Co may extend a deadline notified under clause 7.1(b). If NBN Co extends a deadline, it will extend the deadline for all Access Seekers and Consumer Advocacy Groups and notify all Access Seekers and Consumer Advocacy Groups of the extension to the deadline.
- (d) To the extent practicable, NBN Co will provide each Access Seeker and Consumer Advocacy Group an equivalent period of time to file a Formal Submission if the Access Seeker or Consumer Advocacy Group wishes to do so.

### 7.2 Publication of Formal Submissions

- (a) Subject to any written notice that a Formal Submission or a part of a Formal Submission is confidential, NBN Co will publish each Formal Submission on NBN Co's Website, and each Formal Submission will be publicly available.

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## 8 Finalisation of Product, Product Component or Product Feature

- (a) NBN Co will inform Access Seekers and Consumer Advocacy Groups when it determines that the Workshops, Formal Submissions and other contributions provided by Access Seekers and Consumer Advocacy Groups have provided sufficient input to allow NBN Co to finalise a Product Construct Paper such that it is satisfactory to NBN Co.
- (b) NBN Co will consider and have regard to views expressed in any Workshops, Formal Submissions and other contributions provided by Access Seekers when finalising a Product Construct Paper.
- (c) Following a notification under clause 8(a), NBN Co may further amend the Product Construct Paper to reflect:
  - (i) refinements to the Product Idea by the Product Development Forum generally, the Workshops, and by NBN Co; and
  - (ii) prudence considerations arising under clauses 1D.8 to 1D.12 of the Special Access Undertaking in relation to expenditure which may be incurred in connection with the implementation and supply of the Product Idea.
- (d) NBN Co will publish a final Product Construct Paper for the information of Access Seekers and Consumer Advocacy Groups.

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## 9 Communications

### 9.1 NBN Co communication

- (a) Any communication from NBN Co to a single Access Seeker or Consumer Advocacy Group in relation to the PDF may be given by:



## Schedule 11: Annexure 1 (PDF Processes)

- (i) e-mail to that entity's PDF Representative;
  - (ii) letter to that entity's PDF Representative; or
  - (iii) any one-to-one messaging application made available on NBN Co's Website.
- (b) Any communication from NBN Co to more than one Access Seeker or Consumer Advocacy Group may be given by:
- (i) e-mail to each relevant entity's PDF Representative;
  - (ii) letter to each relevant entity's PDF Representative;
  - (iii) notice on NBN Co's Website; or
  - (iv) other communication technology which NBN Co may notify to Access Seekers and Consumer Advocacy Groups from time to time.
- (c) If a communication relates to a particular Workshop topic or discussion, it may be given to the nominated Workshop representative of the Access Seekers and Consumer Advocacy Groups who participated in that Workshop instead of its PDF Representative. If a Access Seeker or Consumer Advocacy Group does not nominate a Workshop representative in relation to a specific Workshop, NBN Co is not required to send notifications regarding that Workshop to that entity.
- (d) If NBN Co proposes to consult Access Seekers and Consumer Advocacy Groups on matters relating to the Product Development Forum generally, it may provide notice of such consultation in accordance with clause 9.1(b) and such consultation may take place in any way in which a Workshop may take place under clauses 6.1(c) and 6.1(d).

## 9.2 Communications to NBN Co

Any communication from an Access Seeker or Consumer Advocacy Group to NBN Co in relation to the Product Development Forum may be given:

- (a) if a contact form or other communication mechanism exists on NBN Co's Website for the particular topic of the communication, by submitting that form or using that other communication mechanism;
- (b) otherwise, if related to a particular Workshop topic or discussion, by e-mail to the NBN Co facilitator for that Workshop; and
- (c) otherwise by e-mail to the NBN Co PDF Representative.

## 9.3 Availability for regular updates

If no Workshops are scheduled in a given 6-month period, NBN Co will make available updates in relation to its product development activities in that time and make its representatives available to discuss such updates with Access Seekers and Consumer Advocacy Groups.

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# 10 Definitions and Interpretation

## 10.1 Definitions

**Access Seeker and Consumer Advocacy Group Consultation** means the processes set out in clause 6 and (where applicable) clause 7.

**Formal Submission** has the meaning given to that term in clause 7.1(a).

Schedule 11: Annexure 1 (PDF Processes)

**Idea Development Plan** has the meaning given to that term in clause 5.4(c).

**NBN Co Product Idea** has the meaning given to that term in clause 4.3(b).

**PDF Representative** has the meaning given to that term in clause 2(a).

~~**Product Ideas Register** has the meaning given to that term in clause 4.3(c).~~

**Product Construct Paper** has the meaning given to that term in clause 5.4(a).

**Rejection Notice** has the meaning given to that term in clause 5.6.

**Submitting Party** has the meaning given to that term in clause 4.1(a).

**Workshop** has the meaning given to that term in clause 6.1(a).

## 10.2 Interpretation

Unless the context otherwise requires, in these PDF Processes:

- (a) a reference to a clause is a reference to a clause of these PDF Processes; and
- (b) capitalised terms:
  - (i) if defined in clause 10.1, have the meaning set out in clause 10.1; or
  - (ii) if not defined in clause 10.1, have the same meaning as set out in Attachment C (Dictionary) of this Special Access Undertaking.

# Module 2

## Subsequent Regulatory Period



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## Schedule 2A Implementation

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### 2A.1 Implementation of NBN Access Service, Ancillary Services and the Facilities Access Service

#### 2A.1.1 Scope

This Schedule 2A applies for the Subsequent Regulatory Period, ~~irrespective of whether a Replacement Module or ACCC Replacement Module Determination is in effect.~~

#### 2A.1.2 Supply of Product Components and Product Features

Subject to clause ~~102A.2~~, NBN Co will implement its obligations under this Special Access Undertaking in connection with the NBN Access Service by the supply of the Product Components and Product Features on each NBN Co Network.

#### 2A.1.3 Supply of Ancillary Services

Subject to clause ~~102A.2~~, NBN Co will implement its obligations under this Special Access Undertaking in connection with the Ancillary Services by the supply of the Ancillary Services.

#### 2A.1.4 Supply of the Facilities Access Service

Subject to clause ~~102A.2~~, NBN Co will implement its obligations under this Special Access Undertaking in connection with the Facilities Access Service by the supply of the Facilities Access Service.

#### 2A.1.5 Terms and conditions relating to supply of Product Components

The terms and conditions of clause 1A.4 of Module 1 apply in relation to the supply of Product Components in the Subsequent Regulatory Period.

#### 2A.1.6 Continued application of defined terms in Module 1

Any defined term used in this Module 2 which is defined in Module 1, or by reference to terms and conditions in Module 1, has the same meaning when used in this Module 2, unless expressly provided otherwise.

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### ~~2A.2 Service declared by the ACCC~~

- ~~(a) NBN Co acknowledges that this Special Access Undertaking does not affect the ACCC's ability to declare a service under section 152AL(8A) of the CCA (in this clause 2A.2, ACCC Declared Service), even if the service falls, to any extent, within the scope of the services that are declared services under section 152AL(8E) of the CCA as a consequence of the operation of this Special Access Undertaking.~~
- ~~(b) For the avoidance of doubt, this Special Access Undertaking does not affect NBN Co's obligations under section 152AXB of the CCA in respect of any ACCC Declared Service, including the obligation to supply that ACCC Declared Service in accordance with the CCA.~~

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### ~~2A.3 — NBN Co may make supply of AVC conditional on acquisition of other Product Components~~

~~NBN Co may require that the supply of an AVC to an Access Seeker be on the condition that the Access Seeker also acquire:~~

~~(a) — a UNI, CVC and NNI; or~~

~~(b) — an AVC of a different traffic class,~~

~~in conjunction with the first-mentioned AVC, if, for technical reasons, the first-mentioned AVC could not otherwise be supplied to the Access Seeker.~~

## Schedule 2B Pricing Framework ~~Commitments~~

### 2B.1 General

#### 2B.1.1 Scope

This Schedule 2B applies for the Subsequent Regulatory Period, ~~irrespective of whether a Replacement Module or ACCC Replacement Module Determination is in effect.~~

#### 2B.1.2 Supply of NBN Offers

(a) NBN Co will, subject to clause 2A.1.5:

- (i) supply each of the NBN Offers it supplies at the end of the Initial Regulatory Period, from the commencement of the Subsequent Regulatory Period; and
- (ii) supply each of the following NBN Offers, from the date that NBN Co first supplies the NBN Offer:

(A) NBN Offers introduced by NBN Co in the Subsequent Regulatory Period that are set out in clause 1C.2;

~~(A)~~(B) NBN Offers introduced by NBN Co in the Subsequent Regulatory Period that are set out in clause 2B.3;

~~(B)~~(C) NBN Offers introduced by NBN Co in accordance with ~~Schedule 2D~~ Schedule 2H (Product Development and Withdrawal); and

~~(C)~~(D) NBN Offers introduced by NBN Co in the Subsequent Regulatory Period that are Initial Products or Licence Condition Products,

and ~~to will~~ only withdraw the NBN Offer in accordance with clause 2B.1.4 and Schedule 2H ~~Schedule 2D~~ (Product Development and Withdrawal).

*Note: Some NBN Offers set out in clause 1C.2 are Expiring NBN Offers, which will be withdrawn under clause 2B.1.4. Clause 2B.1.4 also sets out timing commitments about the introduction of NBN Offers set out in clause 2B.3.*

(b) Clause 2B.1.2(a) does not apply to the withdrawal of an NBN Offer that NBN Co is required by law or a Shareholder Minister to withdraw or which NBN Co is prohibited from providing under section 41(3) of the NBN Companies Act.

#### 2B.1.3 Other Charges

(a) Other Charges may only be applied to the supply of NBN Offers in accordance with this Schedule 2B ~~Schedule 2B~~.

(b) NBN Co may withdraw any Other Charge that applies to an NBN Offer.

(c) The conditions, obligations, exclusions and other provisions set out in Annexure 1 to Annexure 7 of Schedule 1C will apply in respect of any installations or activations to which an Other Charge applies in accordance with this Schedule 2B, as if those conditions, obligations, exclusions and other provisions were set out in their entirety in this Schedule 2B.

## Schedule 2B (Pricing Framework)

**2B.1.4 Transition to new NBN Offers and pricing**

- (a) NBN Co will first supply the NBN Offers set out in clauses 2B.3.1 and 2B.3.2 on or before the later of:
- (i) 1 July 2023; and
- (ii) 3 months following the Second SAU Variation Date,  
(the date of such first supply being the **Price Transition Date**).
- (b) All Expiring NBN Offers will be withdrawn on and from the Price Transition Date.
- (c) Any Connectivity Virtual Circuit Offer (TC-4) that NBN Co supplies in respect of an NBN Co Network other than the NBN Co Satellite Network that is specified as “per provisioned symmetrical Mbps (CIR)” before the Price Transition Date will be specified as “per utilised symmetrical Mbps (PIR)” on and from the Price Transition Date.
- (d) For clarity, Schedule 2H (Product Development and Withdrawal) will not apply to a withdrawal under clause 2B.1.4(b) or the change described in clause 2B.1.4(c).

**2B.1.4** **2B.1.5 Prices to be determined**

- (a) NBN Co will determine the Prices for NBN Offers and Other Charges that NBN Co supplies or applies during the Subsequent Regulatory Period, subject to ~~this Module 2, this Schedule 2B and Schedule 2C (Long Term Revenue Constraint Methodology and Regulatory Asset Base).~~
- (b) NBN Co will determine the Prices in respect of Competitive Services, and for clarity such Prices will not be subject to this Module 2 (other than this clause 2B.1.5).

**2B.1.5 Overview**

~~This Schedule 2B sets out the key principles in relation to:~~

- (a) ~~how the Maximum Regulated Price of each NBN Offer and Other Charge is to be determined; and~~
- (b) ~~the treatment of Zero Priced NBN Offers and Zero Priced Other Charges,~~  
~~during the Subsequent Regulatory Period.~~

**2B.2 Maximum Regulated Prices for NBN Offers and Other Charges****2B.2.1 General****2B.1.6 Prices for supply of NBN Offers and Other Charges must not be higher than Prices in Tariff List**

- (a) The Price for the supply of an NBN Offer at any point in time during a Financial Year must not be higher than the ~~Maximum Regulated~~ Price applicable to that NBN Offer in the Tariff List at that point in time.
- (b) The Price of an Other Charge at any point in time during a Financial Year must not be higher than the ~~Maximum Regulated~~ Price applicable to that Other Charge in the Tariff List at that point in time.

## Schedule 2B (Pricing Framework)

**~~2B.2.2 — Maximum Regulated Prices for NBN Offers and Other Charges~~**

~~Subject to the provisions of the relevant Replacement Module or the relevant ACCC Replacement Module Determination addressing the matters referred to in clause 4.6(g)(i), at any point in time during a Financial Year (in this clause 2B.2.2, **Relevant Financial Year**), the Maximum Regulated Price of an NBN Offer or Other Charge is:~~

- ~~(a) — if a Price Review Arrangement applies to the NBN Offer or Other Charge in the Relevant Financial Year, determined in accordance with that Price Review Arrangement; or~~
- ~~(b) — if:~~
- ~~(i) — paragraph (a) does not apply;~~
  - ~~(ii) — the NBN Offer or Other Charge ceased to be Zero-Priced in the Relevant Financial Year in accordance with clause 2B.3 or ceased to be Zero-Priced in any prior Financial Year in accordance with clause 1C.5.4 or 2B.3;~~
  - ~~(iii) — the ACCC has made a Resetting Regulatory Determination within the Relevant Financial Year in respect of the NBN Offer or Other Charge; and~~
  - ~~(iv) — that Resetting Regulatory Determination is the most recent Resetting Regulatory Determination in respect of the NBN Offer or Other Charge as at that point in time,~~  
~~the maximum price specified in the Resetting Regulatory Determination (which may be a maximum price of \$0.00); or~~
- ~~(c) — if:~~
- ~~(i) — neither paragraphs (a) nor (b) apply; and~~
  - ~~(ii) — the NBN Offer or Other Charge ceased to be Zero-Priced in the Relevant Financial Year in accordance with clause 2B.3,~~  
~~the Price for that NBN Offer or Other Charge specified by NBN Co in the notice provided under clause 2B.3(b)(i); or~~
- ~~(d) — if:~~
- ~~(i) — none of the above paragraphs (a), (b) or (c) apply;~~
  - ~~(ii) — the NBN Offer or Other Charge is a new NBN Offer or a new Other Charge introduced in the Relevant Financial Year or a prior Financial Year;~~
  - ~~(iii) — the ACCC has made a Resetting Regulatory Determination within the Relevant Financial Year in respect of the NBN Offer or Other Charge for the purposes of which the ACCC has taken into account (except where the Resetting Regulatory Determination is a Binding Rule of Conduct and the ACCC considers, having regard to the urgent need to make the Binding Rule of Conduct, that it is not practicable to do so):~~
    - ~~(A) — the characteristics of other NBN Offers and activities associated with other Other Charges;~~
    - ~~(B) — the costs associated with other NBN Offers and Other Charges;~~
    - ~~(C) — the impact of the Resetting Regulatory Determination on the Revenue associated with other NBN Offers and Other Charges; and~~



## Schedule 2B (Pricing Framework)

~~(D) — the impact of the Resetting Regulatory Determination on the demand for other NBN Offers and activities associated with Other Charges; and~~

~~(iv) — that Resetting Regulatory Determination is the most recent Resetting Regulatory Determination in respect of the NBN Offer or Other Charge that meets the conditions in clause 2B.2.2(d)(iii) as at that point in time,~~

~~the maximum price specified in that Resetting Regulatory Determination (which may be a maximum price of \$0.00); or~~

~~(e) — if:~~

~~(i) — none of paragraphs (a), (b), (c) or (d) apply; and~~

~~(ii) — the NBN Offer or Other Charge is a new NBN Offer or a new Other Charge introduced in the Relevant Financial Year,~~

~~the initial Price for that NBN Offer or Other Charge introduced by NBN Co; or~~

~~(f) — if none of the above paragraphs apply, the greater of:~~

~~(i) — the sum of its Previous Year's Price and its Individual Price Increase Limit for the Relevant Financial Year; and~~

~~(ii) — the Price on the last day of the immediately preceding Financial Year.~~

### **2B.2.3 — Individual Price Increase Limit for NBN Offers and Other Charges**

~~(a) — The Individual Price Increase Limit of an NBN Offer or Other Charge for Financial Year (t) is the greater of:~~

~~(i) — \$0; and~~

~~(ii) —  $Price_{t-1} * [(1 + CPI_{t-1}^{March}) * (1 - 1.5\%) - 1]$ ,~~

~~where:~~

~~(iii) —  $Price_{t-1}$  is the average Price of the NBN Offer or Other Charge over the immediately preceding Financial Year, calculated as the arithmetic average Price at which the NBN Offer was supplied on the last day of each month of that Financial Year or the arithmetic average of the Price of the Other Charge imposed on the last day of each month of that Financial Year (whichever is relevant) (in this clause 2B.2, **Previous Year's Price**), disregarding any months occurring prior to the introduction of the NBN Offer or Other Charge. If the ACCC made one or more Resetting Regulatory Determinations as referred to in clause 2B.2.2(b)(iii) or 2B.2.2(d)(iii) in the immediately preceding Financial Year and the last such Resetting Regulatory Determination took effect part way through that Financial Year, the Prices for the NBN Offer or Other Charge on the last day of each month prior to the last such Resetting Regulatory Determination taking effect are to be excluded from the determination of  $Price_{t-1}$ .~~

~~(iv) —  $CPI_{t-1}^{March}$  is the March Quarter CPI published in the Financial Year immediately preceding the Financial Year to which the Individual Price Increase Limit relates.~~

~~(b) — The Individual Price Increase Limit is rounded to the nearest whole cent.~~

~~(c) — For clarity, the Individual Price Increase Limit will always be a positive or zero value.~~

## **2B.2 Pricing certainty and transparency**

### **2B.2.1 Pricing Principles**

In changing or setting new Prices in the Tariff List and Pricing Roadmap for NBN Offers and Other Charges during the Subsequent Regulatory Period (including in connection with a new product or service introduction), NBN Co must have regard to the following:

- (a) the efficient costs of NBN Co supplying products and services;
- (b) the objective of maximising efficient access to, and usage of, the NBN Co Network;
- (c) the objective of maintaining affordable access to the NBN Co Network;
- (d) the objective of maintaining a diversity of NBN Offers at a reasonable price relativity to each other;
- (e) the ability of NBN Co's Customers and End Users to manage price transitions; and
- (f) the outcomes of the Low-Income Forum.

### **2B.2.2 Statement of Pricing Intent**

- (a) By no later than 1 May preceding the first Financial Year of each Regulatory Cycle in the Subsequent Regulatory Period, NBN Co will publish a statement in respect of the Prices for NBN Offers in respect of the NBN Access Service, which must set out, for that Regulatory Cycle, a description of:
  - (i) the financial objectives NBN Co seeks to achieve, including the target:
    - (A) number of AVC TC-4 Product Components to be supplied;
    - (B) mix of TC-4 speed tiers; and
    - (C) TC-4 average revenue per user;
  - (ii) the pricing strategy or strategies that NBN Co intends to adopt, including:
    - (A) how such pricing strategy or strategies take into account NBN Co's obligation under clause 2B.2.1; and
    - (B) any transitional arrangements that NBN Co intends to implement in connection with changes to Prices of NBN Offers;
  - (iii) any intended changes to the Price structures for NBN Offers (where such changes are consistent with this SAU); and
  - (iv) areas of likely product innovation and development that are expected to influence Price changes during that Regulatory Cycle,

**(Statement of Pricing Intent).**
- (b) NBN Co may only update the Statement of Pricing Intent for a Regulatory Cycle after publishing it under clause 2B.2.2(a) if there has been a material change in circumstances which:
  - (i) was beyond NBN Co's reasonable control; and

## Schedule 2B (Pricing Framework)

(ii) NBN Co could not reasonably have foreseen at the time the Statement of Pricing Intent was published,

and NBN Co:

(iii) provides a draft proposal to Access Seekers that sets out:

(A) the proposed update;

(B) a description of the material change in circumstances giving rise to the proposed update;

(C) how the proposed update takes into account NBN Co's obligation under clause 2B.2.1; and

(D) the proposed implementation date from which the updated Statement of Pricing Intent will apply, which must be at least 12 months from the date of such draft proposal;

(iv) invites submissions from Access Seekers on the draft proposal, and provides for a submission period of at least 20 Business Days from the date of that invitation; and

(v) following the expiry of any submission period under clause 2B.2.2(b)(iv), NBN Co provides Access Seekers with a notice no later than 60 Business Days after the date on which NBN Co has provided the draft proposal under clause 2B.2.2(b)(iii), setting out:

(A) NBN Co's final proposed changes to the Statement of Pricing Intent;

(B) a summary of submissions from Access Seekers which were received by NBN Co during the submission period under clause 2B.2.2(b)(iv), and an explanation of any changes NBN Co has made to its original proposal having considered such submissions; and

(C) the date from which the updated Statement of Pricing Intent will apply, which must be no earlier than the proposed implementation date that NBN Co included in the draft proposal under clause 2B.2.2(b)(iii)(D).

(c) Despite clause 2B.2.2(b), NBN Co may update a Statement of Pricing Intent if such update has been approved in writing by the ACCC.

### **2B.2.3 Tariff List**

(a) By no later than 1 May preceding each Financial Year of the Subsequent Regulatory Period, NBN Co will publish a list (**Tariff List**) that states:

(i) the Price for each NBN Offer and Other Charge for that Financial Year;

(ii) the Price for each other WAPC Charge Component for that Financial Year; and

(iii) the CVC inclusions for each Bundled TC-4 Offer and Bundled TC-2 Offer from the start of that Financial Year.

(b) Prices stated in the Tariff List published by NBN Co under clause 2B.2.3(a) must:

(i) for WAPC Charge Components, comply with the WAPC formula in clause 2D.2.2;

(ii) if subject to Individual Price Controls, comply with those Individual Price Controls;

## Schedule 2B (Pricing Framework)

- (iii) if subject to the TC-4 Price Relativity Restriction, comply with the TC-4 Price Relativity Restriction; and
- (iv) for NBN Offers in respect of the NBN Access Service, be consistent with the Statement of Pricing Intent for the relevant Regulatory Cycle.
- (c) The Prices in the Tariff List for the first Financial Year of the Subsequent Regulatory Period must comply with clause 2B.2.5 and do not need to comply with clause 2B.2.3(b)(i) to 2B.2.3(b)(iii).
- (d) Any Tariff List published under clause 2B.2.3(a) must be updated by NBN Co to reflect:
  - (i) the Price of a previously Zero-Priced NBN Offer or Other Charge pursuant to clause 2C.5;
  - (ii) the Price on introduction of any new NBN Offer, Other Charge or other WAPC Charge Component;
  - (iii) the change of any Price of a new NBN Offer or a new Other Charge, or formerly Zero-Priced NBN Offer or Other Charge, in response to a Resetting Regulatory Determination, pursuant to clause 2F.5, including to re-apply the WAPC formula in accordance with 2F.5.2(b) (if applicable);
  - (iv) the change of any Price to ensure compliance with the WAPC formula as re-applied pursuant to clauses 2D.3.3 or 2D.3.4 following a WAPC Treatment Notice issued in respect of a Proposed Withdrawn Product or the withdrawal of a Non-Recurring WAPC Charge Component;
  - (v) the change of any Price for compliance with price controls pursuant to clause 2F.6(d)(ii);
  - (vi) the change of any Price pursuant to clause 2C.4.1(a) (regarding the TC-4 Discount restriction) or clauses 2C.4.2(e) or 2C.4.2(h) (regarding Pricing Review Events);
  - (vii) any determination by NBN Co to reduce a Price in the Tariff List;
  - (viii) the withdrawal of a Price for an NBN Offer, Other Charge or other product or service which has been withdrawn; or
  - (ix) adjustments to CVC TC-4 inclusions in accordance with clause 2B.5.
- (e) NBN Co must not update a Tariff List published under clause 2B.2.3(a) to change a Price or CVC TC-4 inclusion in respect of an NBN Offer or Other Charge, except as set out in clause 2B.2.3(d) or as otherwise approved by the ACCC in writing.

**2B.2.4 Pricing Roadmap**

- (a) By no later than 1 May preceding each Financial Year of the Subsequent Regulatory Period, NBN Co will publish a roadmap (**Pricing Roadmap**) which sets out, for each of the next three Financial Years:
  - (i) the Price for each NBN Offer and Other Charge;
  - (ii) the Price for each other WAPC Charge Component;
  - (iii) CVC inclusions for each Bundled TC-4 Offer and Bundled TC-2 Offer; and
  - (iv) the Forecast Average Combined Charge for each Bundled TC-4 Offer.
- (b) In each Pricing Roadmap:

## Schedule 2B (Pricing Framework)

- (i) the Prices for the first Financial Year will be the corresponding Prices in the concurrently published Tariff List;
  - (ii) the CVC inclusions for the first Financial Year will be the corresponding CVC inclusions set out in the Tariff List and subject to adjustment in accordance with clause 2B.5; and
  - (iii) the Prices and the CVC inclusions for the remaining Financial Years will be indicative.
- (c) In each Pricing Roadmap published under clause 2B.2.4(a), Prices for the second and third Financial Years in that Pricing Roadmap must (to the extent such Financial Years occur within the Subsequent Regulatory Period):
- (i) for WAPC Charge Components, be Prices that NBN Co expects will comply with the WAPC formula in clause 2D.2.2;
  - (ii) if subject to Individual Price Controls, be Prices that NBN Co expects will comply with those Individual Price Controls; and
  - (iii) for NBN Offers and Other Charges, if such Prices are applicable to a Financial Year within the Regulatory Cycle in which the Pricing Roadmap is published, be consistent with the Statement of Pricing Intent for that Regulatory Cycle.
- (d) If NBN Co updates a Tariff List under clause 2B.2.3(d), it must update the corresponding Pricing Roadmap to maintain consistency.
- (e) NBN Co may update the Pricing Roadmap to change a Price or CVC TC-4 inclusion in respect of an NBN Offer or Other Charge as approved by the ACCC in writing.

**2B.2.5 Transitional measures**

- (a) The Price for the supply of an NBN Offer or for an Other Charge in the first Financial Year of the Subsequent Regulatory Period must not be higher than the following:
- (i) if formerly Zero-Priced, but ceasing to be Zero-Priced between the start of the last Financial Year of the Initial Regulatory Period and the end of the first Financial Year of the Subsequent Regulatory Period, the Price on ceasing to be Zero-Priced;
  - (ii) if newly introduced before the start of the Subsequent Regulatory Period and not set out in Attachment E to Attachment H, the Maximum Regulated Price as at the last day of the Initial Regulatory Period;
  - (iii) if newly introduced on or after the start of the Subsequent Regulatory Period and not set out in Attachment E to Attachment H, the Price on introduction; and
  - (iv) otherwise, the Prices set out in Attachment E to Attachment H,
- subject to any changes to give effect to:
- (v) any of the matters or events in clauses 2B.2.3(d)(vii) to 2B.2.3(d)(ix); or
  - (vi) the maximum Price specified in any Resetting Regulatory Determination made in respect of a new NBN Offer or a new Other Charge or formerly Zero-Priced NBN Offer or Other Charge.
- (b) If the Second SAU Variation Date is after 1 April 2023, instead of publishing the Statement of Pricing Intent, Tariff List and Pricing Roadmap by 1 May preceding the first Financial Year under clauses 2B.2.2(a), 2B.2.3(a) and 2B.2.4(a) (respectively):

## Schedule 2B (Pricing Framework)

- (i) NBN Co will publish such documents by 1 month prior to the Price Transition Date; and
- (ii) such documents will apply on and from the Price Transition Date, instead of applying from the start of that Financial Year.
- (c) If the first Statement of Pricing Intent, Tariff List and Pricing Roadmap are to be published on a date before the start of the Subsequent Regulatory Period under clauses 2B.2.2(a), 2B.2.3(a), 2B.2.4(a) and 2B.2.5(b), this clause 2B.2 will apply from such earlier date, despite this Module 2 otherwise only applying during the Subsequent Regulatory Period.

## **2B.3 Additional NBN Offers**

### **2B.3.1 NBN Offers for TC-4**

- (a) Subject to clause 2A.1.5, the Flat-Rate Offers include each AVC TC-4 specified in the table below and any CVC TC-4 Data Transfer Rate (PIR) utilised by an Access Seeker in conjunction with such AVC TC-4:

<u>AVC Data Transfer Rate PIR (TC-4)<sup>1</sup></u>	<u>NBN Co Network</u>
<u>25 – 100 Mbps downlink 5 – 20 Mbps uplink</u>	<u>NBN Co FTTB Network NBN Co FTTN Network</u>
<u>50 – 100 Mbps downlink 20 Mbps uplink</u>	<u>NBN Co FTTC Network</u>
<u>Fixed Wireless Home Fast</u>	<u>NBN Co Wireless Network</u>
<u>100 Mbps downlink 20 Mbps uplink</u>	<u>NBN Co Fibre Network NBN Co HFC Network</u>
<u>25 – 100 Mbps downlink 5 – 40 Mbps uplink</u>	<u>NBN Co FTTB Network NBN Co FTTN Network</u>
<u>50 – 100 Mbps downlink 20 – 40 Mbps uplink</u>	<u>NBN Co FTTC Network</u>
<u>100 Mbps downlink 40 Mbps uplink</u>	<u>NBN Co Fibre Network NBN Co HFC Network</u>
<u>Fixed Wireless Superfast</u>	<u>NBN Co Wireless Network</u>
<u>250 Mbps downlink 25 Mbps uplink</u>	<u>NBN Co Fibre Network NBN Co HFC Network</u>
<u>250 Mbps downlink 100 Mbps uplink</u>	<u>NBN Co Fibre Network</u>
<u>500 Mbps downlink 200 Mbps uplink</u>	<u>NBN Co Fibre Network</u>
<u>500 – 1000 Mbps downlink<sup>2</sup> 50 Mbps uplink</u>	<u>NBN Co Fibre Network NBN Co HFC Network</u>
<u>1000 Mbps downlink<sup>3</sup> 400 Mbps uplink</u>	<u>NBN Co Fibre Network</u>

**Notes:**

<sup>1</sup> No additional charges apply for CVC TC-4 utilised in conjunction with a Flat-Rate Offer.

<sup>2</sup> The Maximum Data Transfer Rate will fall anywhere between 500 Mbps and less than but close to 1000 Mbps.

<sup>3</sup> The Maximum Data Transfer Rate will be less than but close to 1000 Mbps.

## Schedule 2B (Pricing Framework)

(b) Subject to clause 2A.1.5, the Bundled TC-4 Offers include each AVC TC-4 specified in the table below and any corresponding bundled CVC TC-4 inclusions utilised by an Access Seeker in conjunction with such AVC TC-4:

<u>AVC Data Transfer Rates PIR (TC-4)</u>	<u>CVC symmetrical Data Transfer Rates PIR (TC-4) inclusion</u>	<u>NBN Co Network</u>
<u>12 Mbps downlink</u> <u>1 Mbps uplink</u> <u>(Voice-Only Bundled Offer)<sup>1</sup></u>	<u>0 Mbps</u>	<u>NBN Co Fibre Network</u> <u>NBN Co FTTB Network</u> <u>NBN Co FTTN Network</u> <u>NBN Co FTTC Network</u> <u>NBN Co HFC Network</u>
<u>12 Mbps downlink</u> <u>1 Mbps uplink</u>	<u>0 Mbps</u>	<u>NBN Co Fibre Network</u> <u>NBN Co Wireless Network</u> <u>NBN Co FTTB Network</u> <u>NBN Co FTTN Network</u> <u>NBN Co FTTC Network</u> <u>NBN Co HFC Network</u>
<u>25 Mbps downlink</u> <u>5 Mbps uplink</u>	<u>0.20 Mbps</u>	<u>NBN Co Fibre Network</u> <u>NBN Co Wireless Network</u> <u>NBN Co FTTB Network</u> <u>NBN Co FTTN Network</u> <u>NBN Co FTTC Network</u> <u>NBN Co HFC Network</u>
<u>25 Mbps downlink</u> <u>5 – 10 Mbps uplink</u>	<u>0.20 Mbps</u>	<u>NBN Co FTTB Network</u> <u>NBN Co FTTN Network</u>
<u>25 Mbps downlink</u> <u>10 Mbps uplink</u>	<u>0.20 Mbps</u>	<u>NBN Co Fibre Network</u> <u>NBN Co FTTC Network</u> <u>NBN Co HFC Network</u>
<u>25 – 50 Mbps downlink</u> <u>5 – 20 Mbps uplink</u>	<u>2.50 Mbps</u>	<u>NBN Co FTTB Network</u> <u>NBN Co FTTN Network</u>
<u>50 Mbps downlink</u> <u>20 Mbps uplink</u>	<u>2.50 Mbps</u>	<u>NBN Co Fibre Network</u> <u>NBN Co FTTC Network</u> <u>NBN Co HFC Network</u>
<u>Up to 75 Mbps downlink</u> <u>Up to 10 Mbps uplink<sup>2</sup></u>	<u>2.50 Mbps</u>	<u>NBN Co Wireless Network</u>

**Notes:**

<sup>1</sup> The Voice-Only Bundled Offer is offered if an Access Seeker uses an AVC with the relevant bandwidth profile as an input into a voice-only Access Seeker Product or Downstream Product and utilises 0.1 Mbps of TC-4 (PIR) or less of capacity. It applies for each day in which these conditions are satisfied. On each other day on which a bandwidth profile of 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink is selected, the Bundled TC-4 Offer with that bandwidth profile which is not the Voice-Only Bundled Offer will apply.

<sup>2</sup> These are potential maximum information rates, not peak information rates.

(c) Each Flat-Rate Offer in clause 2B.3.1(a) and Bundled TC-4 Offer in clause 2B.3.1(b) includes:

- (i) access to, and use of, one available UNI-D or UNI-DSL (as applicable) used to serve the Premises connected to the NBN Co Network, for use in conjunction with the AVC described in clause 2B.3.1(a) or 2B.3.1(b) (as applicable);
- (ii) for the NBN Co Fibre Network, an option to access and use one available UNI-V used to serve the Premises connected to the NBN Co Network, for use in the supply of voice telephony services to the Premises; and

## Schedule 2B (Pricing Framework)

(iii) an AVC with a 0.15 Mbps CIR (TC-1) symmetrical Data Transfer Rate to support voice telephony services, which will be provided:

(A) as part of the AVC described in clause 2B.3.1(a) or 2B.3.1(b) (as applicable), included within the Data Transfer Rate for that AVC, and mapped to the UNI-D or UNI-DSL used in conjunction with that AVC, including where the option in clause 2B.3.1(c)(ii) to access a UNI-V is not exercised; and

(B) in the case of the NBN Co Fibre Network, where the option in clause 2B.3.1(c)(ii) to access a UNI-V is exercised, through an AVC mapped to an accessed UNI-V that is separate, and in addition, to the AVC described in clause 2B.3.1(a) or 2B.3.1(b) (as applicable).

(d) If an NBN Offer specified in clause 2B.3.1(b) is modified to satisfy the definition of a “Flat-Rate Offer”, from the date of such modification it will be a Flat-Rate Offer (and will cease to be a Bundled TC-4 Offer).

### **2B.3.2 NBN Offers for TC-2**

Subject to clause 2A.1.5, the Bundled TC-2 Offers include each of the bundles specified in the table below:

<u>AVC symmetrical Data Transfer Rates CIR (TC-2)</u>	<u>CVC symmetrical Data Transfer Rates CIR (TC-2) inclusion</u>	<u>Enhanced Fault Service Level</u>	<u>NBN Co Network</u>
<u>5 Mbps</u>	<u>5 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network NBN Co FTTB Network NBN Co FTTN Network NBN Co FTTC Network NBN Co HFC Network</u>
<u>10 Mbps</u>	<u>10 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network NBN Co FTTB Network NBN Co FTTN Network NBN Co FTTC Network NBN Co HFC Network</u>
<u>20 Mbps</u>	<u>20 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network NBN Co FTTB Network NBN Co FTTN Network NBN Co FTTC Network</u>
<u>30 Mbps</u>	<u>30 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network</u>
<u>40 Mbps</u>	<u>40 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network</u>
<u>50 Mbps</u>	<u>50 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network</u>
<u>60 Mbps</u>	<u>60 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network</u>
<u>70 Mbps</u>	<u>70 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network</u>
<u>80 Mbps</u>	<u>80 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network</u>
<u>90 Mbps</u>	<u>90 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network</u>
<u>100 Mbps</u>	<u>100 Mbps</u>	<u>Enhanced-12 (24/7)</u>	<u>NBN Co Fibre Network</u>

**Note:** AVC Data Transfer Rates are included within the Data Transfer Rates (TC-4) acquired by the Access Seeker in respect of the same AVC.



## Schedule 2B (Pricing Framework)

**2B.3.3 NBN Offers and Prices for NBN Co Smart Places**

(a) This clause 2B.3.3 applies in respect of:

- (i) each NBN Offer for, or including, an AVC TC-4 or AVC TC-2 that NBN Co supplies in respect of NBN Co Smart Places before the Price Transition Date (each, an **Expiring Smart Places Offer**); and
- (ii) any NBN Offer for CVC TC-4 that NBN Co supplies in respect of NBN Co Smart Places before the Price Transition Date.

(b) Subject to clause 2B.3.3(c):

- (i) each Expiring Smart Places Offer for, or including, an AVC TC-4 with a downlink Data Transfer Rate of 100 Mbps or above is withdrawn on and from the Price Transition Date and replaced with a Flat-Rate Offer for NBN Co Smart Places that is the same as the Flat-Rate Offer with the same Data Transfer Rates introduced by NBN Co in respect of the NBN Co Fibre Network;
- (ii) each Expiring Smart Places Offer for, or including, an AVC TC-4 with a downlink Data Transfer Rate of below 100 Mbps is withdrawn on and from the Price Transition Date and replaced with a Bundled TC-4 Offer for NBN Co Smart Places that is the same as the Bundled TC-4 Offer with the same Data Transfer Rates introduced by NBN Co in respect of the NBN Co Fibre Network; and
- (iii) each Expiring Smart Places Offer for, or including, an AVC TC-2 is withdrawn on and from the Price Transition Date and replaced with a Bundled TC-2 Offer for NBN Co Smart Places that is the same as the Bundled TC-2 Offer with the same Data Transfer Rates introduced by NBN Co in respect of the NBN Co Fibre Network,

(each, a **Smart Places Offer**).

(c) Each Smart Places Offer that is a Flat-Rate Offer or a Bundled TC-4 Offer:

- (i) includes access to, and use of, one available UNI-SFP used to serve the Smart Location connected to the NBN Co Network, for use in conjunction with the AVC included under the NBN Offer described in clause 2B.3.3(b)(i) or clause 2B.3.3(b)(ii) (as applicable); and
- (ii) does not include an AVC with a 0.15 Mbps CIR (TC-1) symmetrical Data Transfer Rate or access to, or use of, any UNI-D, UNI-DSL or UNI-V.

(d) Any NBN Offer for CVC TC-4 that NBN Co supplies in respect of NBN Co Smart Places that is specified as “per provisioned symmetrical Mbps (CIR)” before the Price Transition Date will be specified as “per utilised symmetrical Mbps (PIR)” on and from the Price Transition Date.

(e) In the Tariff List that applies on and from the Price Transition Date, NBN Co will set out:

- (i) for each Smart Places Offer that NBN Co supplies, a Price and any applicable CVC inclusion that is the same as the Price and any applicable CVC inclusion set out in that Tariff List for the NBN Offer for, or including, an AVC TC-4 or AVC TC-2 with the same Data Transfer Rates, specified in respect of the NBN Co Fibre Network; and
- (ii) for any NBN Offer for CVC TC-4 that NBN Co supplies in respect of NBN Co Smart Places, a Price that is the same as the Price set out in that Tariff List for the Connectivity Virtual Circuit Offer (TC-4) for a CVC TC-4 with the same Data Transfer Rates specified in respect of the NBN Co Fibre Network.

## Schedule 2B (Pricing Framework)

- (f) If an NBN Offer specified in clause 2B.3.3(b)(ii) is modified to satisfy the definition of a “Flat-Rate Offer”, from the date of such modification it will be a Flat-Rate Offer (and will cease to be a Bundled TC-4 Offer).
- (g) For clarity:
- (i) Schedule 2H (Product Development and Withdrawal) will not apply to changes made under this clause 2B.3.3; and
- (ii) in this SAU, an NBN Offer or Other Charge expressed to be in respect of the NBN Co Fibre Network is not an NBN Offer or Other Charge in respect of NBN Co Smart Places.

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## **2B.4 Entry Level Offers**

### **2B.4.1 Entry Level Offers for a Regulatory Cycle**

- (a) For the First Regulatory Cycle, the Entry Level Offers are set out in clause 4A.4.
- (b) For each Regulatory Cycle after the First Regulatory Cycle, an Entry Level Offer must be proposed in any Replacement Module Application and determined in any ACCC Replacement Module Determination in respect of each of the NBN Co Fibre Network, NBN Co FTTB Network, NBN Co FTTN Network, NBN Co FTTC Network, NBN Co HFC Network and NBN Co Wireless Network, in accordance with clause 2B.4.1(c).
- (c) Each Entry Level Offer proposed in any Replacement Module Application or determined in any ACCC Replacement Module Determination for each Regulatory Cycle after the First Regulatory Cycle must be an NBN Offer that:
- (i) is a Bundled TC-4 Offer or a Flat-Rate Offer that has been introduced by NBN Co for more than 24 months (assessed as at 1 July of the first Financial Year in the applicable Regulatory Cycle) or which is set out in clause 2B.3.1(a) or clause 2B.3.1(b);
- (ii) has an Offer Download Rate that is lower than the Offer Download Rate of any NBN Offer forming part of the Most Ordered TC-4 Download Offer Group, unless the Offer Download Rate of an NBN Offer forming part of the Most Ordered TC-4 Download Offer Group is the lowest Offer Download Rate of any NBN Offer that satisfies clause 2B.4.1(c)(i), in which case an NBN Offer forming part of the Most Ordered TC-4 Download Offer Group must be specified as the Entry Level Offer;
- (iii) subject to clause 2B.4.1(d), has the same Offer Download Rate as each other Entry Level Offer specified on each other NBN Co Network referred to in clause 2B.4.1(b); and
- (iv) is reasonably considered by NBN Co, in the case of a Replacement Module Application, or the ACCC, in the case of an ACCC Replacement Module Determination, to be NBN Co’s entry level-service.
- (d) For the purposes of clause 2B.4.1(c)(iii), if there is no set of NBN Offers with the same Offer Download Rate on each of the NBN Co Networks referred to in clause 2B.4.1(b), then:
- (i) the NBN Offers with the same Offer Download Rate supplied over the greatest number of NBN Co Networks referred to in clause 2B.4.1(b) must be specified as Entry Level Offers for those NBN Co Networks; and
- (ii) the NBN Offers supplied over the remaining NBN Co Networks which have Offer Download Rates that are most similar to the Offer Download Rates of the NBN Offers specified under clause 2B.4.1(d)(i) must be specified as the Entry Level Offers on those NBN Co Networks.

## Schedule 2B (Pricing Framework)

(e) In this clause 2B.4.1:

- (i) **Most Ordered TC-4 Download Offer Group** comprises the Bundled TC-4 Offers and Flat-Rate Offers with the same Offer Download Rates that are supplied in the greatest numbers across all of the NBN Co Networks referred to in clause 2B.4.1(b), assessed based on data from the full Financial Year most recently ended at the time the Entry Level Offers are being proposed in a Replacement Module Application or determined in an ACCC Replacement Module Determination; and
- (ii) **Offer Download Rate** means, in respect of a Bundled TC-4 Offer or Flat-Rate Offer, the maximum downlink Data Transfer Rate of the AVC TC-4 for that NBN Offer.

## **2B.5 Adjustments to CVC TC-4 inclusions**

### **2B.5.1 Committed adjustments to CVC TC-4 inclusions**

(a) Subject to this clause 2B.5.1, NBN Co will adjust the amount of CVC TC-4 inclusion for each Bundled TC-4 Offer (**CVC Inclusion**) twice each Financial Year on:

- (i) 1 January; and
- (ii) 1 July,

each an **Adjustment Date**, except that no adjustment will occur on 1 July 2023.

(b) On and from each Adjustment Date, the amount of CVC Inclusion in each Bundled TC-4 Offer will be adjusted in accordance with the following formula:

$$CVC\ Inclusion_{AD} = CVC\ Inclusion_{PAD} + CVC\ Inclusion\ Adjustment$$

where:

**AD** means Adjustment Date; and

**PAD** or **Previous Adjustment Date** means, in respect of an Adjustment Date, the immediately preceding Adjustment Date.

(c) For the purposes of this clause 2B.5.1:

$$CVC\ Inclusion\ Adjustment = \frac{MBHT_{MP} - MBHT_{PMP}}{2} \times 50\%$$

where:

**MP** or **Measurement Period** means:

(i) in respect of an Adjustment Date of 1 January in a given calendar year (t), the period between 1 April<sub>(t-1)</sub> to 30 September<sub>(t-1)</sub>; and

(ii) in respect of an Adjustment Date of 1 July in a given calendar year (t), the period between 1 October<sub>(t-1)</sub> to 31 March<sub>(t)</sub>.

**PMP** or **Previous Measurement Period** means, in respect of a Measurement Period, the corresponding 6-month period in the preceding calendar year.

**MBHT** or **Mean Busy Hour Throughput** means, in Mbps (rounded to two decimal places), in respect of the Bundled TC-4 Offer Group of which the Bundled TC-4 Offer forms part, the average National Daily Peak Utilisation across a Measurement Period or Previous Measurement Period (as

## Schedule 2B (Pricing Framework)

applicable), calculated based on the sum of the National Daily Peak Utilisation for each day in that period, divided by the number of days in that period.

**National Daily Peak Utilisation** means on a given day for a given Bundled TC-4 Offer Group, the sum of Daily CSA Peak Utilisation across all CSAs and all Access Seekers, divided by the total number of AVC TC-4 Product Components in that Bundled TC-4 Offer Group supplied to all Access Seekers across all CSAs on that day.

(d) Clauses 2B.5.1(a) to 2B.5.1(c) will not apply:

(i) in respect of any Bundled TC-4 Offer with a bandwidth profile of 12 Mbps PIR (TC-4) downlink and 1 Mbps PIR (TC-4) uplink (including the Voice-Only Bundled Offer); or

(ii) in respect of an Adjustment Date that occurs after the date on which the Price in the Tariff List for the Connectivity Virtual Circuit Offer (TC-4) in respect of NBN Co Networks other than the NBN Co Satellite Network is reduced to \$0 in accordance with clause 2E.2.2(d).

(e) NBN Co must:

(i) for a 1 January Adjustment Date, update the published Tariff List under clause 2B.2.3(d)(ix) at least two months prior to the Adjustment Date, to reflect the CVC Inclusion that will apply on and from that Adjustment Date; and

(ii) for a 1 July Adjustment Date, ensure that the Tariff List published on the preceding 1 May under clause 2B.2.3(a) reflects the CVC Inclusion that will apply on and from that Adjustment Date.

## **2B.5.2 Other adjustments to CVC Inclusions**

(a) Without limiting clause 2B.5.1, NBN Co may from time to time, by notice to Access Seekers, increase the CVC Inclusion for a Bundled TC-4 Offer.

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## **2B.6 Rebate or credit of 0.15 Mbps AVC TC-1**

(a) Subject to clause 2B.6(b), NBN Co will provide an Access Seeker with a rebate or credit equivalent to the recurring charge of a Symmetric Access Capacity Offer (TC-1) with a CIR (TC-1) Data Transfer Rate of 0.15 Mbps symmetrical if:

(i) the Access Seeker selects an AVC with a higher CIR (TC-1) symmetrical Data Transfer Rate rather than the AVC with a CIR (TC-1) Data Transfer Rate of 0.15 Mbps symmetrical included with a Flat-Rate Offer, Bundled TC-4 Offer or Asymmetric AVC Offer;

(ii) that is supplied within the Data Transfer Rate of an AVC supplied under a Flat-Rate Offer, Bundled TC-4 Offer or Asymmetric AVC Offer; and

(iii) the recurring charge for the selected CIR (TC-1) symmetrical Data Transfer Rate is otherwise payable and has not been otherwise waived or subject to a higher Discount.

(b) If the Standard Business Offer has not been withdrawn under clause 2B.1.4(b), clause 2B.6(a) does not apply to the acquisition of the Standard Business Offer.

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## **2B.7 Low-Income Forum**

(a) NBN Co will establish a multilateral working group to identify possible targeted initiatives to improve access to the NBN Co Network for low-income, vulnerable and unconnected End Users (**Low-Income Forum**).

Schedule 2B (Pricing Framework)

- (b) NBN Co will convene a Low-Income Forum meeting at least once in each Financial Year.
- (c) NBN Co will chair each Low-Income Forum meeting and will make it available to Not-for-Profit Groups, Consumer Advocacy Groups, Government Agencies and Access Seekers.
- (d) Participation in Low-Income Forum meetings (other than for NBN Co) will be voluntary such that each Low-Income Forum member can engage as they deem appropriate given their level of interest and resources.
- (e) To promote meaningful engagement:

  - (i) before each Low-Income Forum meeting, NBN Co will provide Low-Income Forum members with a report on the progress of its initiatives to improve access to the NBN Co Network for low-income, vulnerable and unconnected End Users (and potential End Users); and
  - (ii) NBN Co may establish reasonable limits on the number of Low-Income Forum members and on the number of participants attending each Low-Income Forum meeting.
- (f) NBN Co will, in each Financial Year, publish on its Website an update regarding its initiatives to improve access to the NBN Co Network for low-income, vulnerable and unconnected End Users.
- (g) Nothing in this clause 2B.7 precludes NBN Co from conducting consultations with Access Seekers (including through the Product Development Forum or bilaterally) or separately with any other Low-Income Forum members, or any other party, in relation to any initiative to improve access to the NBN Co Network for low-income, vulnerable and unconnected End Users whether or not that initiative is also the subject of consultation in Low-Income Forum meetings.

## Schedule 2C Additional pricing certainty measures

### 2C.1 General

#### 2C.1.1 Scope

This Schedule 2C applies for the Subsequent Regulatory Period.

### 2C.2 Restriction on changes to price relativities

#### 2C.2.1 Restriction on changes to price relativities

The TC-4 price relativity restriction formula is as follows:

$$\text{Max}\{\delta_t^m\} - \text{Min}\{\delta_t^m\} \leq \$1$$

where:

- (a) Max{ $\delta_t^m$ } means the  $\delta_t^m$  with the highest numerical value of the  $\delta_t^m$  values for any  $m$ ;
- (b) Min{ $\delta_t^m$ } means the  $\delta_t^m$  with the lowest numerical value of the  $\delta_t^m$  values for any  $m$ ;
- (c)  $\delta_t^m$  means, for each  $m$ , an amount equal to  $p_t^m - p_t^{m_i}$ ;
- (d)  $t$  means the Financial Year in the Subsequent Regulatory Period for which NBN Co is publishing a Tariff List under clause 2B.2.3(a) or updating a Tariff List pursuant to clause 2B.2.3(d)(v);
- (e)  $m$  means, in respect of each Financial Year  $t$ , each Flat-Rate Offer, Bundled TC-4 Offer and Asymmetric AVC Offer set out for the second Financial Year included in *Roadmap* <sub>$t-1$</sub> , excluding any such offer that:
- (i) is in respect of a Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service covered by:
    - (A) paragraph (a) of the definition of Proposed Withdrawn Product and for which NBN Co has not received a Withdrawal Objection Notice; or
    - (B) paragraph (b) of the definition of Proposed Withdrawn Product and in respect of which NBN Co has not subsequently become aware that such Proposed Withdrawn Product is no longer required to be withdrawn on the grounds referred to in clause 2H.6.4(a);
  - (ii) has been the subject of a Resetting Regulatory Determination between the publication of *Roadmap* <sub>$t-1$</sub>  and the end of Financial Year  $t - 1$ ; or
  - (iii) the ACCC has approved in writing to be excluded for Financial Year  $t$ ;
- (f) *Roadmap* <sub>$t-1$</sub>  means, in respect of each Financial Year  $t$ , the Pricing Roadmap published in respect of Financial Year  $t - 1$  to Financial Year  $t + 1$ ;
- (g)  $p_t^m$  means:
- (i) for each  $m$  that is a Bundled TC-4 Offer, the Forecast Average Combined Charge for the first Financial Year included in the Pricing Roadmap published in respect of Financial Year  $t$  to Financial Year  $t + 2$ ; and

## Schedule 2C (Additional pricing certainty measures)

(ii) for each other  $m$ , the Price in the Tariff List to apply from 1 July of Financial Year  $t$ ; and

(h)  $p_t^m$  means:

(i) for each  $m$  that is a Bundled TC-4 Offer, the Forecast Average Combined Charge for the second Financial Year included in Roadmap $_{t-1}$ ; and

(ii) for each other  $m$ , the Price for the second Financial Year included in Roadmap $_{t-1}$ .

### **~~2B.2.4 — Discounts, Hourly Labour Rates and Maximum Regulated Prices for NBN Offers and Other Charges~~**

~~(a) For the avoidance of doubt, for the purpose of determining NBN Co's compliance with the Maximum Regulated Price applicable to an NBN Offer or Other Charge, the removal, reduction or cessation of any Discount applicable to that NBN Offer or Other Charge in accordance with its terms specified at the time of initial introduction of the Discount will not constitute a breach of the Maximum Regulated Price applicable to that NBN Offer or Other Charge.~~

~~(b) The following applies to any Other Charge that is provided on a "hourly labour rate" or "hourly labour rate plus cost of materials basis":~~

~~(i) an hourly labour rate may only be changed by indexing it to the ABS Labour Price Index for Private Sector Construction or by periodically resetting it with reference to the relevant rates charged to NBN Co by its contractors; and~~

~~(ii) materials will be charged at cost.~~

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## **2C.3 Withdrawal of discounts and non-circumvention**

### **~~2B.2.5~~2C.3.1 Non-circumvention**

(a) For the purpose of ensuring that the ~~Maximum Regulated Price~~Price of an NBN Offer or Other Charge in the Tariff List is not subject to circumvention through the arbitrary reduction, removal or cessation of a Discount that may apply to the Price of an NBN Offer or Other Charge, any reduction, removal or cessation of a Discount applicable to an NBN Offer or Other Charge may only occur in accordance with the terms for the reduction, removal or cessation of that Discount specified at the time of initial introduction.

(b) Without limiting clause 2C.3.1(a), NBN Co will provide Customers with at least the following notice of any reduction, removal or cessation of a Discount:

(i) 1 month's notice for a Short-term Discount; and

(i)(ii) 3 months' notice for a Long-term Discount.

### **~~2B.2.6 — Treatment of Bundles~~**

~~If:~~

~~(a) an NBN Offer comprises a bundle of one or more Products, Product Components, Product Features, Ancillary Services or types of Facilities Access Service (in this clause ~~2B.2.6~~, together a **Bundle**); and~~

~~(b) NBN Co offers that Bundle for a single Price,~~

~~then that Bundle will be subject to the Maximum Regulated Price as though it were an individual item.~~

## Schedule 2C (Additional pricing certainty measures)

**2C.3.2 Additional restrictions from Price Transition Date**

Clause 2C.4 applies on and from the Price Transition Date.

**2C.4 TC-4 Discount restrictions and ACCC power for Pricing Review Events****2C.4.1 Restriction on TC-4 Discounts**

- (a) Subject to clauses 2C.4.1(d) and 2C.4.3, if NBN Co's Notional Undiscounted TC-4 Revenue is greater than its Discount-Adjusted TC-4 Revenue by more than 5% in any Financial Year (the **Discounting Threshold**), NBN Co must:
- (i) notify the ACCC; and
  - (ii) reduce TC-4 Prices for the following Financial Year in accordance with clause 2C.4.1(b).
- (b) If NBN Co is obliged to reduce TC-4 Prices under clause 2C.4.1(a), NBN Co will:
- (i) determine which TC-4 Prices to reduce, and by how much to reduce each TC-4 Price;
  - (ii) ensure that the reductions when considered together have the effect that, had they been in effect throughout the entire Financial Year in which the Discounting Threshold was exceeded, the Discounting Threshold would not have been exceeded;
  - (iii) update the Tariff List under clause 2B.2.3(d)(vi) as required to give effect to the reductions within 60 Business Days of the start of the Financial Year following the Financial Year in which the Discount Threshold is exceeded (in this clause 2C.4.1(b), **Next Year**); and
  - (iv) to the extent necessary, rebate or credit each Customer with an amount equal to the difference in payments made by the Customer and the payments that would have been made by the Customer had the updates to the Tariff List under clause 2C.4.1(b)(iii) been made at the start of the Next Year.
- (c) For the purposes of this clause 2C.4.1:
- (i) **Discount-Adjusted TC-4 Revenue** means the amount of revenue earned by NBN Co in a Financial Year from all TC-4 Related Charges, having regard to any Discounts applied to any TC-4 Related Charge;
  - (ii) **Notional Undiscounted TC-4 Revenue** means the amount of revenue that would have been earned by NBN Co in a Financial Year from all TC-4 Related Charges, had no Discounts applied to any TC-4 Related Charge;
  - (iii) **TC-4 Price** means the Price in the Tariff List for an NBN Offer for, or including, an AVC TC-4 or CVC TC-4 Product Component; and
  - (iv) **TC-4 Related Charge** means:
    - (A) each charge for an NBN Offer for, or including, an AVC TC-4 or CVC TC-4 Product Component; and
    - (B) any combined charge under a Discount for a bundle of two or more NBN Offers, at least one of which is for, or includes, an AVC TC-4 or CVC TC-4 Product Component.



## Schedule 2C (Additional pricing certainty measures)

(d) For the Financial Year in which the Price Transition Date occurs, Notional Undiscounted TC-4 Revenue, Discount-Adjusted TC-4 Revenue and the effect of any reduced TC-4 Prices had they applied in that Financial Year will be assessed only on and from the Price Transition Date.

#### **2C.4.2 ACCC power for Pricing Review Events**

(a) In this clause 2C.4.2, **Pricing Review Event** means:

- (i) NBN Co including a Price in the Tariff List for an NBN Offer which the ACCC reasonably considers is inconsistent with NBN Co's then-current Statement of Pricing Intent; or
- (ii) subject to clause 2C.4.3, in respect of a TC-4 Offer Group, that on average throughout a Financial Year, a Discount applied to more than 50% of AVC TC-4s that were supplied under NBN Offers within that TC-4 Offer Group.

(b) If an event described in clause 2C.4.2(a)(ii) occurs for any Financial Year, NBN Co must notify the ACCC within 30 Business Days after the end of that Financial Year.

(c) If a Pricing Review Event occurs:

- (i) the ACCC may issue a notice to NBN Co directing NBN Co to provide a rectification plan to the ACCC which specifies any actions that NBN Co will take (including any changes to the Prices or CVC inclusions in the Tariff List) and the date by which such actions will be taken, to address the Pricing Review Event (**Price Rectification Plan**);
- (ii) NBN Co must provide the ACCC with a Price Rectification Plan within 40 Business Days of receiving a notice under clause 2C.4.2(c)(i); and
- (iii) the ACCC may, acting reasonably, accept or reject the Price Rectification Plan:
  - (A) within 40 Business Days of receipt of the Price Rectification Plan; or
  - (B) if the ACCC notifies an extension during those first 40 Business Days, within a further 20 Business Days.

(d) The ACCC may only issue a notice under clause 2C.4.2(c)(i):

- (i) in respect of a Pricing Review Event described in clause 2C.4.2(a)(i), in the Financial Year in which the inconsistency under clause 2C.4.2(a)(i) arises; and
- (ii) in respect of a Pricing Review Event described in clause 2C.4.2(a)(ii), in the Financial Year after the Financial Year in which the event described in clause 2C.4.2(a)(ii) occurs;

(e) If the ACCC accepts a Price Rectification Plan within the period specified in clause 2C.4.2(c)(iii), NBN Co will implement the Price Rectification Plan by the date set out in the Price Rectification Plan, including by making any required updates to the Tariff List under clause 2B.2.3(d)(vi).

(f) If the ACCC rejects a Price Rectification Plan within the period specified in clause 2C.4.2(c)(iii), the ACCC must publish reasons for rejecting the Price Rectification Plan and may specify any changes that NBN Co must make to the Prices or CVC inclusions in the Tariff List by issuing an alternative rectification plan:

- (i) within 40 Business Days of receipt of the Price Rectification Plan; or
- (ii) if the ACCC notifies an extension during those first 40 Business Days, within a further 20 Business Days.

## Schedule 2C (Additional pricing certainty measures)

- (g) Any alternative rectification plan issued by the ACCC in accordance with clause 2C.4.2(f) must:
- (i) set out the date by which NBN Co must make changes to Prices or CVC inclusions in the Tariff List in a manner which provides NBN Co with a reasonable period of time to implement such changes;
  - (ii) only require NBN Co to make changes to Prices in the Tariff List which are proportionate and related to the Pricing Review Event;
  - (iii) if issued in relation to an event described in clause 2C.4.2(a)(i), specify changes that NBN Co must make to the Prices in the Tariff List such that, had those Prices been set out in the Tariff List published by NBN Co under clause 2B.2.3(a) for the then-current Financial Year, those Prices would have resulted in the WAPC formula in clause 2D.2.2 being balanced (as if the '≥' sign in that WAPC formula were instead an '=' sign); and
  - (iv) if issued in relation to an event described in clause 2C.4.2(a)(ii), provide NBN Co an opportunity to charge Prices for NBN Offers within that TC-4 Offer Group that are no lower than the Discount Adjusted Price for the TC-4 Offer Group.
- (h) NBN Co must update the Tariff List under clause 2B.2.3(d)(vi) to implement an alternative rectification plan issued by the ACCC under clause 2C.4.2(f) by the date set out in that alternative rectification plan.
- (i) In deciding whether to accept or reject a Price Rectification Plan or issue an alternative rectification plan under clause 2C.4.2(f), the ACCC must take into account the matters set out in section 152BCA(1) of the CCA and may take into account any other matters it thinks are relevant.
- (j) Sections 152BCB(3C) and (4A) of the CCA apply to the ACCC's decision to accept or reject a Price Rectification Plan under clause 2C.4.2(c)(iii) or to issue an alternative rectification plan under clause 2C.4.2(f) as if the references to an access determination in those sections were references to the ACCC deciding to accept or reject a Price Rectification Plan, or to issue an alternative rectification plan under clause 2C.4.2(f), as applicable.
- (k) If the ACCC requests further information from NBN Co, for the purpose of calculating the period under clauses 2C.4.2(c)(iii) or 2C.4.2(f) (as applicable), each day will be disregarded in the period:
- (i) beginning on the date the information was requested; and
  - (ii) ending on the date on which NBN Co has provided all the requested information to the ACCC.
- (l) If the ACCC does not accept or reject a Price Rectification Plan within the period specified in clause 2C.4.2(c)(iii), or issue an alternate rectification plan under clause 2C.4.2(f) within the timeframe specified in that clause, in each case, as modified by 2C.4.2(k), NBN Co is not required to make any change to the Tariff List under this clause 2C.4.2.

**2C.4.3 Discounts not to be included**

- (a) The following Discounts will not be included or otherwise taken into account for the purposes of the calculations under clauses 2C.4.1 and 2C.4.2(a)(ii):
- (i) amounts paid in connection with any service standards commitments;
  - (ii) amounts paid by NBN Co to resolve any disputes (including billing disputes) or to refund any miscalculated or overpaid amounts;
  - (iii) any amounts that NBN Co is required to pay under clause 2C.4.1(b)(iv);

## Schedule 2C (Additional pricing certainty measures)

(iv) Discounts which apply or are intended to apply:(A) for the public benefit or good in response to a particular event or circumstance outside NBN Co's control (such as a natural disaster or emergency); or(B) specifically in respect of low-income or otherwise socioeconomically disadvantaged End Users; and(v) any Discounts, offered in response to requests from Government Agencies, which satisfy clause 2C.4.3(b)(iii).(b) If NBN Co offers a Discount in response to a request from a Government Agency:(i) NBN Co may apply in writing to the ACCC to have that Discount excluded or otherwise not taken into account for the purposes of clauses 2C.4.1 and 2C.4.2(a)(ii);(ii) within 40 Business Days of receipt of an application under clause 2C.4.3(b)(i), the ACCC may accept or reject that application;(iii) if the ACCC accepts an application under clause 2C.4.3(b)(ii), the Discount to which the application relates will not be included or otherwise taken into account for the purposes of clauses 2C.4.1 and 2C.4.2(a)(ii); and(iv) if the ACCC rejects, or does not accept or reject, an application in relation to a Discount under clause 2C.4.3(b)(ii) within the time specified in that clause, that Discount will be taken into account for the purposes of clauses 2C.4.1 and 2C.4.2(a)(ii).**2B.3 2C.5 Treatment of Zero-Priced NBN Offers and Other Charges**

(a) If an NBN Offer or Other Charge is Zero-Priced, then that NBN Offer or Other Charge will remain Zero-Priced, unless the NBN Offer or Other Charge ceases to be Zero-Priced in accordance with clauses 2C.5(b)~~2B.3(b)~~ and 2C.5(c)~~2B.3(c)~~.

(b) NBN Co may propose that an NBN Offer or Other Charge cease to be Zero-Priced by:

(i) providing no less than 6 months' notice to Access Seekers and the ACCC of its intention that the NBN Offer or Other Charge cease to be Zero-Priced, which notice must include the reasons why NBN Co considers the NBN Offer or Other Charge should cease to be Zero-Priced and specify NBN Co's proposed Price for the NBN Offer or Other Charge and the expiry date of the notice; and

(ii) consulting with Access Seekers in relation to the proposal.

(c) Unless NBN Co issues a notice to Access Seekers and the ACCC withdrawing its proposal under clause 2C.5(b)~~2B.3(b)~~, upon the expiry of the period of notice given by NBN Co under clause 2C.5(b)~~2B.3(b)~~, the NBN Offer or Other Charge specified in the notice will cease to be Zero-Priced and, ~~subject to clause 2B.2.2, the proposed Price specified in the notice will become the Maximum Regulated Price for the NBN Offer or Other Charge from~~ on the expiry date of the notice period, NBN Co will change the Price in the Tariff List for the NBN Offer or Other Charge to the proposed Price specified in the notice, in accordance with clause 2B.2.3(d)(i).

## Schedule 2D Weighted average price control

### 2D.1 General

#### 2D.1.1 Scope

This Schedule 2D applies for the Subsequent Regulatory Period.

### 2D.2 Weighted average price control

#### 2D.2.1 Scope of WAPC Charge Components

A **WAPC Charge Component** means each component or element of a product or service supplied by NBN Co to which a Price applies (including a \$0.00 Price), except to the extent such Price is:

- (a) a Non-WAPC Core Service Charge; or
- (b) a Price for a Competitive Service.

#### 2D.2.2 WAPC formula

The WAPC formula is as follows:

$$(1 + CPI_t)(1 - X_t)(1 + PT_t)(1 + EM_t) \geq \frac{\sum_{m=1}^M p_t^m q_{t-1.25}^m}{\sum_{m=1}^M p_{t-1}^m q_{t-1.25}^m}$$

where:

- (a)  $CPI_t$  means the December Quarter CPI published in Financial Year  $t - 1$ ;
- (b)  $EM_t$  means the excess adjustment factor for Financial Year  $t$ , calculated in accordance with clause 2D.2.6;
- (c)  $m$  means, in respect of each Financial Year  $t$ , each WAPC Charge Component supplied by NBN Co as at 31 March of Financial Year  $t - 1$  (excluding Connectivity Virtual Circuit Offers (TC-4) in respect of all NBN Co Networks other than the NBN Co Satellite Network), where there are  $M$  such charge components in total;
- (d)  $p_t^m$  means:
  - (i) for each charge component  $m$  that is a Bundled TC-4 Offer, the Forecast Average Combined Charge during Financial Year  $t$ ; and
  - (ii) for each other charge component  $m$ , the Price in the Tariff List to apply from 1 July of Financial Year  $t$ ;
- (e)  $p_{t-1}^m$  means:
  - (i) for each charge component  $m$  that is a Bundled TC-4 Offer, the weighted average of:
    - (A) the Average Combined Charge during the period from 1 July to 31 March of Financial Year  $t - 1$ ; and
    - (B) the Forecast Average Combined Charge for the period from 1 April to 30 June of Financial Year  $t - 1$ ;

## Schedule 2D (Weighted average price control)

weighted by the number of days in each of the periods in paragraphs (A) and (B); and

(ii) for each other charge component  $m$ , the average of the Price in the Tariff List in respect of Financial Year  $t - 1$ , calculated as the sum of:

(A) the Price in the Tariff List that applied on each day from 1 July to 31 March of Financial Year  $t - 1$ ; and

(B) the Price in the Tariff List that is forecast to apply on each day from 1 April to 30 June of Financial Year  $t - 1$ ,

divided by the number of days in Financial Year  $t - 1$ ;

**Exception 1:** If Financial Year  $t$  is the second Financial Year of the Subsequent Regulatory Period, the period referred to in clause 2D.2.2(e)(i)(A) or clause 2D.2.2(e)(ii)(A) (as applicable) will commence on the Price Transition Date, rather than 1 July of Financial Year  $t - 1$ , and the “number of days in Financial Year  $t - 1$ ” for the purposes of paragraph 2D.2.2(e)(ii) will mean the number of days from the Price Transition Date to 30 June of Financial Year  $t - 1$ , inclusive.

**Exception 2:** Where a charge component  $m$  has been introduced between 1 July and 31 March of Financial Year  $t - 1$ , the period referred to in clause 2D.2.2(e)(i)(A) or clause 2D.2.2(e)(ii)(A) (as applicable) will commence on the date that NBN Co first supplies that charge component  $m$  rather than 1 July of Financial Year  $t - 1$ , and the “number of days in Financial Year  $t - 1$ ” for the purposes of paragraph 2D.2.2(e)(ii) will mean the number of days from the date that NBN Co first supplies that charge component  $m$  to 30 June of Financial Year  $t - 1$ , inclusive.

(f)  $PT_t$  means the cost pass-through adjustment factor for Financial Year  $t$ , calculated in accordance with clause 2D.2.5;

(g)  $q_{t-1.25}^m$  means:

(i) for each charge component  $m$  that has a recurring charge, the average quantity supplied on each day from the Price Transition Date or 1 April of Financial Year  $t - 2$  (whichever is later) to 31 March of Financial Year  $t - 1$ , and then multiplied by the number of times such charge component is charged per Financial Year (e.g. if the recurring charge is a monthly recurring charge, it will be multiplied by 12, and if it is a quarterly charge, it will be multiplied by 4, as it is charged four times per Financial Year); and

(ii) for each charge component  $m$  that has a non-recurring charge, the aggregate quantity of the charge component to which the non-recurring charge applies supplied in the period from 1 April of Financial Year  $t - 2$  to 31 March of Financial Year  $t - 1$ ;

**Exception:** If Financial Year  $t$  is the second Financial Year of the Subsequent Regulatory Period,  $q_{t-1.25}^m$  for each charge component  $m$  that has a non-recurring charge means the aggregate quantity of the charge component to which the non-recurring charge applies supplied in the period from the Price Transition Date to 31 March of Financial Year  $t - 1$ , multiplied by a factor calculated by:

- taking the number of days from 1 April of Financial Year  $t - 2$  to 31 March of Financial Year  $t - 1$ , inclusive; and
- dividing that number by the number of days from the Price Transition Date to 31 March of Financial Year  $t - 1$ , inclusive.

(h)  $t$  means the Financial Year in the Subsequent Regulatory Period for which NBN Co is publishing a Tariff List under clause 2B.2.3(a) or updating a Tariff List pursuant to clause 2B.2.3(d)(iii), 2B.2.3(d)(iv) or 2B.2.3(d)(v); and

(i)  $X_t$  means:

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- (i) where Financial Year  $t$  precedes the WAPC Factor Change Year (including for each Financial Year in the First Regulatory Cycle), 0; and
- (ii) where Financial Year  $t$  is, or occurs after, the WAPC Factor Change Year, the X-factor applicable to Financial Year  $t$ , as set out in the relevant document referred to in clause 2D.2.3 taken to specify the X-factor.

**2D.2.3 X-factor**

- (a) Subject to clause 2D.2.3(b), the X-factor ( $X$ ) in any given Financial Year  $t$  that is, or occurs after, the WAPC Factor Change Year will be the X-factor set out in the ACCC Replacement Module Determination applicable to the Regulatory Cycle in which Financial Year  $t$  falls, calculated in accordance with clause 2D.2.4.
- (b) If, by 31 March of Financial Year  $t - 1$ , the ACCC has not made an ACCC Replacement Module Determination relating to Financial Year  $t$  and:
- (i) the ACCC has issued a Draft Replacement Module Determination Decision relating to Financial Year  $t$ ,  $X$  for the first Financial Year of the relevant Regulatory Cycle will be the X-factor set out in such Draft Replacement Module Determination Decision, calculated in accordance with clause 2D.2.4; or
- (ii) the ACCC has not issued a Draft Replacement Module Determination Decision relating to Financial Year  $t$ ,  $X$  for the first Financial Year of the relevant Regulatory Cycle will be the X-factor set out in NBN Co's Replacement Module Application relating to Financial Year  $t$ , calculated in accordance with clause 2D.2.4.

*Note: The operation of the clauses in Schedule 2D is such that, once the ACCC has made an ACCC Replacement Module Determination in respect of a Regulatory Cycle, clause 2D.2.3(a) will apply.*

**2D.2.4 Calculation of X-factor**

The X-factor set out in any of the documents referred to in clause 2D.2.3 will be calculated by solving for the value of  $X$  in the formula below:

$$\sum_{t=1}^T \sum_{m=1}^M (1 + CPI_t)(1 - X_t)p_{t-1}^m q_t^m \cdot \text{Cumulative Discount Factor}_t$$

$$= \sum_{t=1}^T \text{Annual WAPC Revenue Requirement}_t \cdot \text{Cumulative Discount Factor}_t$$

where:

- (a)  $t$  is each Financial Year in the Regulatory Cycle, with  $t = 1$  being the first Financial Year in the Regulatory Cycle and  $t = T$  being the last Financial Year in the Regulatory Cycle;
- (b) Cumulative Discount Factor $_t$  for each Financial Year  $t$  of the Regulatory Cycle is equal to  $\prod_{s=1}^t \frac{1}{(1+WACC_s)}$ , where the nominal WACC for each Financial Year  $s$  in the Regulatory Cycle is as set out, or proposed to be set out, in the Replacement Module Application or ACCC Replacement Module Determination (as applicable) for the Regulatory Cycle;

For example, for a 5-year Regulatory Cycle, the Cumulative Discount Factor for each of Financial Years 1 to 5 of the Regulatory Cycle is:

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$$\text{Cumulative Discount Factor}_1 = \frac{1}{(1 + WACC_1)}$$

$$\text{Cumulative Discount Factor}_2 = \frac{1}{(1 + WACC_1)(1 + WACC_2)}$$

$$\text{Cumulative Discount Factor}_3 = \frac{1}{(1 + WACC_1)(1 + WACC_2)(1 + WACC_3)}$$

$$\text{Cumulative Discount Factor}_4 = \frac{1}{(1 + WACC_1)(1 + WACC_2)(1 + WACC_3)(1 + WACC_4)}$$

$$\text{Cumulative Discount Factor}_5 = \frac{1}{(1 + WACC_1)(1 + WACC_2)(1 + WACC_3)(1 + WACC_4)(1 + WACC_5)}$$

(c)  $p_{t-1}^m$  means:

(i) where  $t$  is the first Financial Year in the Regulatory Cycle, then:

(A) for each charge component  $m$  that is a Bundled TC-4 Offer, the Forecast Average Combined Charge during Financial Year  $t - 1$ ; and

(B) for each other charge component  $m$ , the average Price in the Tariff List forecast to apply in Financial Year  $t - 1$ ; and

**Exception:** Where a charge component  $m$  has been introduced, or is forecast to be introduced, between 1 July and 30 June of Financial Year  $t - 1$ ,  $p_{t-1}^m$  means:

- where that charge component  $m$  that is a Bundled TC-4 Offer, the Forecast Average Combined Charge during the period from the date that NBN Co first supplies (or the forecast date that NBN Co will first supply) that charge component  $m$  to 30 June of Financial Year  $t - 1$ ; and
- where that charge component  $m$  is not a Bundled TC-4 Offer, the average Price in the Tariff List forecast to apply during the period from the date that NBN Co first supplies (or the forecast date that NBN Co will first supply) that charge component  $m$  to 30 June of Financial Year  $t - 1$  (calculated on an average daily basis).

(ii) where  $t$  is a Financial Year other than the first Financial Year in the Regulatory Cycle,  $p_{t-2}^m(1 + CPI_{t-1})(1 - X_{t-1})$ , where:

(A) for each charge component  $m$  that is a Bundled TC-4 Offer,  $p_{t-2}^m$  is the Forecast Average Combined Charge during Financial Year  $t - 2$ ; and

(B) for each other charge component  $m$ ,  $p_{t-2}^m$  is the average Price in the Tariff List forecast to apply in Financial Year  $t - 2$ ;

**Exception:** Where a charge component  $m$  has been introduced, or is forecast to be introduced, between 1 July and 30 June of Financial Year  $t - 2$ ,  $p_{t-2}^m$  means:

- where that charge component  $m$  that is a Bundled TC-4 Offer, the Forecast Average Combined Charge during the period from the date that NBN Co first supplies (or the forecast date that NBN Co will first supply) that charge component  $m$  to 30 June of Financial Year  $t - 2$ ; and
- where that charge component  $m$  is not a Bundled TC-4 Offer, the average Price in the Tariff List forecast to apply during the period from the date that NBN Co first supplies (or the forecast date that NBN Co will first supply) that charge component  $m$  to 30 June of Financial Year  $t - 2$  (calculated on an average daily basis).

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(d)  $q_t^m$  means:

- (i) for each charge component  $m$  that has a recurring charge, the average quantity forecast to be supplied on each day of Financial Year  $t$ , and then multiplied by the number of times such charge component is charged per Financial Year (e.g. if the recurring charge is a monthly recurring charge, it will be multiplied by 12, and if it is a quarterly charge, it will be multiplied by 4, as it is charged four times per Financial Year); and
- (ii) for each charge component  $m$  that has a non-recurring charge, the aggregate quantity forecast to be supplied in Financial Year  $t$ ;

(e)  $m$  means, in respect of Financial Year  $t$ , each WAPC Charge Component that NBN Co forecasts it will supply during Financial Year  $t$  (excluding Connectivity Virtual Circuit Offers (TC-4) for all NBN Co Networks other than the NBN Co Satellite Network), where there are  $M$  such charge components in total;

(f)  $CPI_t$  means the forecast of inflation expectations for Financial Year  $t$ , determined in accordance with clause 2G.1.4;

(g)  $X_t$  will have the following meaning:

(i) where the formula in this clause 2D.2.4 is being applied to calculate the X-factor in:

- (A) a Replacement Module Application provided by NBN Co to the ACCC;
- (B) a Draft Replacement Module Determination Decision; or
- (C) an ACCC Replacement Module Determination issued by the ACCC on or before 31 March of the Financial Year immediately preceding the first Financial Year of the applicable Regulatory Cycle,

$X_t$  means the X-factor for each Financial Year  $t$  (i.e. the amount that results in both sides of the formula in this clause 2D.2.4 being balanced), where the value of  $X_t$  for each Financial Year of the Regulatory Cycle is the same; and

(ii) where the formula in this clause 2D.2.4 is being applied to calculate the X-factor in an ACCC Replacement Module Determination issued by the ACCC after 31 March of the Financial Year immediately preceding the first Financial Year of the applicable Regulatory Cycle, then:

- (A)  $X_t$  in respect of the first Financial Year of the Regulatory Cycle will be the X-factor applied for such Financial Year in accordance with clause 2D.2.3(b); and
- (B)  $X_t$  in respect of each subsequent Financial Year of the Regulatory Cycle will be the amount that results in both sides of the formula in this clause 2D.2.4 being balanced, where  $X_t$  must have the same value for each of those subsequent Financial Years and where  $X_t$  in the first Financial Year of the Regulatory Cycle is determined in accordance with clause 2D.2.3(b); and

(h) *Annual WAPC Revenue Requirement* $_t$  is defined in clause 2G.4.1.

### 2D.2.5 Cost pass-through factor

The cost pass-through adjustment factor  $PT_t$  in clause 2D.2.2 is calculated in accordance with the formula below:

$$PT_t = \frac{(1 + PT'_t)}{(1 + PT'_{t-1})} - 1$$



## Schedule 2D (Weighted average price control)

where:

$$(a) \quad \underline{PT}'_t = \frac{AP_t}{(1+CPI_t)(1-X_t)(1+EM_t) \sum_{m=1}^M p_{t-1}^m q_{t-1.25}^m};$$

(b)  $AP_t$  is the total cost pass-through amount (if any) approved by the ACCC for Financial Year  $t$  and calculated in accordance with clause 2D.6;

(c)  $PT'_{t-1}$  is:

(i) where Financial Year  $t$  is the first Financial Year of the Subsequent Regulatory Period, zero; and

(ii) in every other Financial Year of the Subsequent Regulatory Period, the value of  $PT'_t$  in the immediately preceding Financial Year; and

(d) all other references in the formulas used in this clause 2D.2.5 have the meanings given to them in clauses 2D.2.4 and 2D.2.6.

### **2D.2.6 Excess adjustment factor**

The excess adjustment factor  $EM_t$  in clause 2D.2.2 is:

(a) where Financial Year  $t$  is the second or third Financial Year of the Subsequent Regulatory Period, zero (noting that the WAPC formula does not apply in the first Financial Year of the Subsequent Regulatory Period); and

(b) for each subsequent Financial Year  $t$  in the Subsequent Regulatory Period, the lesser of zero and the amount determined in accordance with the following expression:

$$\frac{(1 + CPI_{t-2})(1 - X_{t-2})(1 + PT_{t-2})(1 + EM_{t-2})}{\frac{\sum_{m=1}^M p_{t-2}^m q_{t-3.25}^m}{\sum_{m=1}^M p_{t-3}^m q_{t-3.25}^m}} - 1$$

where:

(i)  $CPI_{t-2}$  means the December Quarter CPI published in Financial Year  $t - 3$ ;

(ii)  $EM_{t-2}$  means the excess adjustment factor for Financial Year  $t - 2$ , calculated in accordance with this clause 2D.2.6;

(iii)  $m$  means, in respect of Financial Year  $t - 2$ , each WAPC Charge Component supplied by NBN Co as at 1 May of Financial Year  $t - 3$  (excluding Connectivity Virtual Circuit Offers (TC-4) for all NBN Co Networks other than the NBN Co Satellite Network), where there are  $M$  such charge components in total;

(iv)  $p_{t-2}^m$  means:

(A) for each charge component  $m$  that is a Bundled TC-4 Offer, the Average Combined Charge during Financial Year  $t - 2$ ; and

(B) for each other charge component  $m$ , the Price in the Tariff List that applied during Financial Year  $t - 2$  (calculated on an average daily basis);

(v)  $p_{t-3}^m$  means:

(A) for each charge component  $m$  that is a Bundled TC-4 Offer, the Average Combined Charge during Financial Year  $t - 3$ ; and

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(B) for each other charge component  $m$ , the Price in the Tariff List that applied during Financial Year  $t - 3$  (calculated on an average daily basis);

**Exception 1:** If Financial Year  $t - 2$  is the second Financial Year of the Subsequent Regulatory Period,  $p_{t-3}^m$  means:

- for each charge component  $m$  that is a Bundled TC-4 Offer, the Average Combined Charge during the period from the Price Transition Date to 30 June of Financial Year  $t - 3$ ; and
- for each other charge component  $m$ , the Price in the Tariff List that applied in the period from the Price Transition to 30 June of Financial Year  $t - 3$  (calculated on an average daily basis).

**Exception 2:** Where a charge component  $m$  has been introduced between 1 July and 31 March of Financial Year  $t - 3$ ,  $p_{t-3}$  means:

- for each charge component  $m$  that is a Bundled TC-4 Offer, the Average Combined Charge during the period from the date that NBN Co first supplies that charge component  $m$  to 30 June of Financial Year  $t - 3$ ; and
- for each other charge component  $m$ , the Price in the Tariff List that applied in the period from the date that NBN Co first supplies that charge component  $m$  to 30 June of Financial Year  $t - 3$  (calculated on an average daily basis).

(vi)  $PT_{t-2}$  means the cost pass-through adjustment factor for Financial Year  $t - 2$ , calculated in accordance with clause 2D.2.5;

(vii)  $q_{t-3,25}^m$  means:

(A) for each charge component  $m$  that has a recurring charge, the average quantity supplied on each day from the Price Transition Date or 1 April of Financial Year  $t - 4$  (whichever is later) to 31 March of Financial Year  $t - 3$ , and then multiplied by the number of times such charge component is charged per Financial Year (e.g. if the recurring charge is a monthly recurring charge, it will be multiplied by 12, and if it is a quarterly charge, it will be multiplied by 4, as it is charged four times per Financial Year); and

(B) for each charge component  $m$  that has a non-recurring charge, the aggregate quantity of the charge component to which the non-recurring charge applies supplied in the period from 1 April of Financial Year  $t - 4$  to 31 March of Financial Year  $t - 3$ ;

**Exception:** If Financial Year  $t - 2$  is the second Financial Year of the Subsequent Regulatory Period,  $q_{t-3,25}^m$  for each charge component  $m$  that has a non-recurring charge means the aggregate quantity of the charge component to which the non-recurring charge applies supplied in the period from the Price Transition Date to 31 March of Financial Year  $t - 3$ , multiplied by a factor calculated by:

- taking the number of days from 1 April of Financial Year  $t - 4$  to 31 March of Financial Year  $t - 3$  inclusive; and
- dividing that number by the number of days from the Price Transition Date to 31 March of Financial Year  $t - 3$ , inclusive.

(viii)  $X_{t-2}$  means the X-factor that applied in respect of Financial Year  $t - 2$  as set out in the relevant document under clause 2D.2.3 and calculated in accordance with clause 2D.2.4.

## **2D.3 Effect of withdrawal of Proposed Withdrawn Product or Non-Recurring WAPC Charge Component on WAPC**

### **2D.3.1 WAPC Treatment Proposal**

#### **WAPC Treatment Proposal for Products withdrawn under clause 2H.6.2(a)**

(a) Subject to clause 2D.3.1(e), if:

- (i) NBN Co has provided a notice under clause 2H.6.2(a) to withdraw a Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service (referred to collectively in this clause 2D.3 as **Products**, unless the contrary intention appears); and
- (ii) one or more components or elements of that Product is a Recurring WAPC Charge Component,

then, on the same day as NBN Co provides a notice under clause 2H.6.2(a), NBN Co must give the ACCC a WAPC Treatment Proposal in accordance with clause 2D.3.1(d).

#### **WAPC Treatment Proposal for Products withdrawn as required by law or directed by Shareholder Ministers**

(b) Subject to clause 2D.3.1(e), if:

- (i) NBN Co becomes aware of a requirement to withdraw a Product under the grounds referred to in clause 2H.6.4(a); and
- (ii) one or more components or elements of that Product is a Recurring WAPC Charge Component,

then, no later than 20 Business Days after NBN Co becomes aware of the requirement to withdraw that Product, NBN Co must give the ACCC a WAPC Treatment Proposal in accordance with clause 2D.3.1(d).

#### **WAPC Treatment Proposal for products or services outside the scope of the NBN Access Service, the Ancillary Services and the Facilities Access Service**

(c) Subject to clause 2D.3.1(e), if:

- (i) NBN Co withdraws a product or service that is outside the scope of the NBN Access Service, the Ancillary Services and the Facilities Access Service; and
- (ii) one or more components or elements of that product or service is a Recurring WAPC Charge Component,

then, no later than 20 Business Days after NBN Co has withdrawn such product or service, NBN Co must give the ACCC a WAPC Treatment Proposal in accordance with clause 2D.3.1(d).

#### **Content of WAPC Treatment Proposal**

(d) In this clause 2D.3, a **WAPC Treatment Proposal** means a notice that sets out, for each Recurring WAPC Charge Component of a Proposed Withdrawn Product:

- (i) any current or future Recurring WAPC Charge Components (if any) to which NBN Co expects Access Seekers will migrate following withdrawal of that Proposed Withdrawn Product (each, an **Expected Successor Charge Component**);

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- (ii) if NBN Co has nominated one or more Expected Successor Charge Components under clause 2D.3.1(d)(i), a proposed allocation in percentage terms of  $q_{t-1.25}^m$  quantities (an input into the future application of the WAPC formula in clause 2D.2.2) of the Recurring WAPC Charge Component of the Proposed Withdrawn Product to the Expected Successor Charge Components, which must be:
  - (A) based on reasonable estimates of the quantities of the Recurring WAPC Charge Component of the Proposed Withdrawn Product that are likely to migrate (or have migrated) to such Expected Successor Charge Components by the date of withdrawal of that Proposed Withdrawn Product; and
  - (B) the same percentage allocation during the entire period in which such WAPC Charge Component of the Proposed Withdrawn Product will be subject to the WAPC formula in accordance with clause 2D.3; and
- (iii) an explanation of NBN Co's proposals under clause 2D.3.1(d)(i) and 2D.3.1(d)(ii).

**Exception where relevant quantities are zero**

- (e) NBN Co will not be required to give the ACCC a WAPC Treatment Proposal for a Proposed Withdrawn Product if, for the Financial Year ( $t$ ) in which NBN Co would ordinarily be required to give such WAPC Treatment Proposal under clause 2D.3.1(a), 2D.3.1(b) or 2D.3.1(c) (as relevant), the  $q_{t-1.25}^m$  quantity for each Recurring WAPC Charge Component of that Proposed Withdrawn Product (determined in accordance with clause 2D.2.2(g)) is zero.

**2D.3.2 WAPC Treatment Notice**

- (a) No later than 60 Business Days after the date on which NBN Co has provided the ACCC with a WAPC Treatment Proposal for a Proposed Withdrawn Product, and subject to clause 2D.3.2(c), the ACCC may give a notice either:
  - (i) accepting that WAPC Treatment Proposal; or
  - (ii) determining the matters described in clause 2D.3.1(d)(i) and 2D.3.1(d)(ii) in relation to each Recurring WAPC Charge Component of the Proposed Withdrawn Product and providing an explanation of the ACCC's reasons for such determination,

(each, a WAPC Treatment Notice).
- (b) The ACCC may extend the period referred to in clause 2D.3.2(a) by a period of not more than 40 Business Days by giving written notice to NBN Co and publishing that notice on the ACCC's website.
- (c) The ACCC will not:
  - (i) give NBN Co a WAPC Treatment Notice for a Proposed Withdrawn Product if it has already given NBN Co a Withdrawal Objection Notice for that Proposed Withdrawn Product; and
  - (ii) give NBN Co a Withdrawal Objection Notice for a Proposed Withdrawn Product if it has already given NBN Co a WAPC Treatment Notice for that Proposed Withdrawn Product.

**2D.3.3 WAPC consequences of withdrawal of products or services that have Recurring WAPC Charge Components****Effect on WAPC calculations for Relevant Financial Year**

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- (a) On a date no later than 20 Business Days after the ACCC gives NBN Co a WAPC Treatment Notice in accordance with clause 2D.3.2 in respect of a Proposed Withdrawn Product (such date, in this clause 2D.3.3, the **WAPC Reapplication Date**), NBN Co must publish an updated Tariff List under clause 2B.2.3(d)(iv) for the remainder of the Financial Year in which the WAPC Reapplication Date falls (in this clause 2D.3.3, **Relevant Financial Year**), that re-applies the WAPC formula in clause 2D.2.2 in the following manner:
- (i) if the WAPC Treatment Notice identifies one or more Expected Successor Charge Components in respect of a Recurring WAPC Charge Component of that Proposed Withdrawn Product,  $p_t^m$  for that Recurring WAPC Charge Component will be the weighted average  $p_t^m$  of the Expected Successor Charge Components, weighted by the proportion of  $q_{t-1,25}^m$  quantities of that Recurring WAPC Charge Component allocated to the Expected Successor Charge Components, where the relevant proportion is as set out in the WAPC Treatment Notice;
- (ii) if the WAPC Treatment Notice does not identify any Expected Successor Charge Components in respect of a Recurring WAPC Charge Component, then:
- (A) if the Proposed Withdrawn Product is still being supplied as at the WAPC Reapplication Date,  $p_t^m$  for that Recurring WAPC Charge Component will be determined in accordance with clause 2D.2.2; and
- (B) if the Proposed Withdrawn Product has already been withdrawn as at the WAPC Reapplication Date,  $p_t^m$  for that Recurring WAPC Charge Component will be \$0;
- (iii) all other inputs into the WAPC formula (including in relation to other WAPC Charge Components) will be those used by NBN Co when the WAPC formula in clause 2D.2.2 was most recently applied when publishing or updating a Tariff List for the Relevant Financial Year, except that:
- (A) NBN Co may correct an error, omission or miscalculation in the most recent application of the WAPC formula in clause 2D.2.2; and
- (B) the average calculated to determine  $p_{t-1}^m$  for each Recurring WAPC Charge Component of that Proposed Withdrawn Product will exclude any days in Financial Year  $t - 1$  after the withdrawal of that Proposed Withdrawn Product; and
- (iv) in the updated Tariff List for the Relevant Financial Year, NBN Co must not include Prices for any WAPC Charge Components that are higher than the Prices for such WAPC Charge Components in the immediately preceding Tariff List for the Relevant Financial Year published by NBN Co under clause 2B.2.3.

*Note: For clarity, if the ACCC provides a Withdrawal Objection Notice in respect of a Proposed Withdrawn Product, the operation of the clauses in Schedule 2D is such that, when NBN Co publishes a Tariff List under clause 2B.2.3(a) to apply from 1 July of the next Financial Year, NBN Co will apply the WAPC formula in accordance with clause 2D.2.2 (with all relevant inputs given a value that reflects that the Proposed Withdrawn Product will not be withdrawn).*

#### Effect on WAPC calculations for subsequent Financial Years

- (b) If a WAPC Treatment Notice identifies one or more Expected Successor Charge Components in respect of a Recurring WAPC Charge Component for a Proposed Withdrawn Product, then, each time the WAPC formula in clause 2D.2.2 is applied when NBN Co publishes or updates a Tariff List for a Financial Year after the Relevant Financial Year:

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(i)  $p_t^m$  for that Recurring WAPC Charge Component will be the weighted average  $p_t^m$  of the relevant Expected Successor Charge Components, weighted by the proportion of  $q_{t-1.25}^m$  quantities of that Recurring WAPC Charge Component allocated to the relevant Expected Successor Charge Components, where the relevant proportion is as set out in the WAPC Treatment Notice; and

(ii)  $p_{t-1}^m$  for that Recurring WAPC Charge Component will be the weighted average  $p_{t-1}^m$  of the relevant Expected Successor Charge Components, weighted by the proportion of  $q_{t-1.25}^m$  quantities of that Recurring WAPC Charge Component allocated to the relevant Expected Successor Charge Components, where the relevant proportion is as set out in the WAPC Treatment Notice.

**Exception:** For the first Financial Year after the Relevant Financial Year, the  $p_{t-1}^m$  of each Expected Successor Charge Component (for the purposes of calculating the  $p_{t-1}^m$  of the relevant Recurring WAPC Charge Component in clause 2D.3.3(b)(ii)) will be based on an average that excludes any days prior to the date on which NBN Co issued the updated Tariff List for the Relevant Financial Year under clause 2D.3.3(a).

(c) If:

(i) NBN Co has updated a Tariff List for the Relevant Financial Year under clause 2D.3.3(a); and

(ii) as at the date on which NBN Co has updated such Tariff List, NBN Co had already published a Tariff List under clause 2B.2.3(a) for the Financial Year immediately after the Relevant Financial Year (in this clause 2D.3.3(c), **Next Financial Year**),

NBN Co will, on the same date as it publishes an updated Tariff List for the Relevant Financial Year under clause 2D.3.3(a), update the Tariff List for the Next Financial Year by re-applying the WAPC formula in clause 2D.2.2 with the modifications set out in clause 2D.3.3(b).

#### **Effect on WAPC calculations if Proposed Withdrawn Product is no longer withdrawn**

(d) If:

(i) NBN Co has given the ACCC a WAPC Treatment Proposal and the ACCC has issued a WAPC Treatment Notice in respect of a Proposed Withdrawn Product to be withdrawn on the grounds referred to in clause 2H.6.4(a); but

(ii) following NBN Co's submission of the WAPC Treatment Proposal for that Proposed Withdrawn Product, NBN Co becomes aware that the Proposed Withdrawn Product is no longer required to be withdrawn on the grounds referred to in clause 2H.6.4(a) (the date of NBN Co becoming aware of such requirement being the **Non-Withdrawal Notification Date**),

then:

(iii) if the Non-Withdrawal Notification Date occurs before NBN Co would ordinarily be required to update the Tariff List under clause 2D.3.3(a), NBN Co will not be required to update the Tariff List under clause 2D.3.3(a); or

(iv) if the Non-Withdrawal Notification Date occurs on or after the date that NBN Co has updated the Tariff List under clause 2D.3.3(a), then, when NBN Co publishes a Tariff List under clause 2B.2.3(a) for the Financial Year immediately after the Financial Year in which NBN Co updated the Tariff List under clause 2D.3.3(a):

(A) the consequences in clause 2D.3.3(b) will not apply in respect of any Recurring WAPC Charge Components of the Proposed Withdrawn Product; and

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(B) all inputs into the WAPC formula in clause 2D.2.2 in respect of any Recurring WAPC Charge Components of the Proposed Withdrawn Product will be determined in accordance with clause 2D.2.2.

#### Interaction with definition of $m$ in WAPC formula

(e) For the purposes of applying the WAPC consequences in clauses 2D.3.3(a)(i), 2D.3.3(a)(ii), 2D.3.3(a)(iii)(B) and 2D.3.3(b) in a Financial Year, the Recurring WAPC Charge Component of a Proposed Withdrawn Product will be a WAPC Charge Component  $m$  for that Financial Year, notwithstanding anything to the contrary in the definition of “ $m$ ” under clause 2D.2.2(c).

### 2D.3.4 WAPC consequences of withdrawal of Non-Recurring WAPC Charge Components

#### Effects on WAPC calculations for Relevant Financial Year

(a) Subject to clause 2D.3.4(b), on a date no later than 20 Business Days after NBN Co has withdrawn a Non-Recurring WAPC Charge Component (such date, in this clause 2D.3.4, the **WAPC Reapplication Date**), NBN Co must publish an updated Tariff List under clause 2B.2.3(d)(iv) for the remainder of the Financial Year in which the WAPC Reapplication Date falls (in this clause 2D.3.4, **Relevant Financial Year**), that re-applies the WAPC formula in clause 2D.2.2 in the following manner:

(i)  $p_t^m$  for that Non-Recurring WAPC Charge Component will be:

(A) if NBN Co reasonably considers that one or more Non-Recurring WAPC Charge Components will be a substitute for, or successor to, the Non-Recurring WAPC Charge Component that has been withdrawn (**Non-Recurring Successor Charge Components**), the weighted average  $p_t^m$  of those Non-Recurring Successor Charge Components, weighted by the proportion of  $q_{t-1,25}^m$  quantities of that Non-Recurring WAPC Charge Component allocated to each Non-Recurring Successor Charge Component, as reasonably determined by NBN Co based on estimates of the quantities of the Non-Recurring WAPC Charge Component that are likely to be subject to such Non-Recurring Successor Charge Components by the date on which the Non-Recurring WAPC Charge Component is withdrawn; or

(B) if NBN Co does not reasonably consider that there is any Non-Recurring Successor Charge Component for the Non-Recurring WAPC Charge Component that has been withdrawn, \$0;

(ii) all other inputs into the WAPC formula (including in relation to other WAPC Charge Components) will be those used by NBN Co when the WAPC formula in clause 2D.2.2 was most recently applied when publishing or updating a Tariff List for the Relevant Financial Year, except that:

(A) NBN Co may correct an error, omission or miscalculation in the most recent application of the WAPC formula in clause 2D.2.2; and

(B) the average calculated to determine  $p_{t-1}^m$  for the Non-Recurring WAPC Charge Component that has been withdrawn will exclude any days in Financial Year  $t - 1$  after the withdrawal of that Non-Recurring WAPC Charge Component; and

(iii) in the updated Tariff List for the Relevant Financial Year, NBN Co must not include Prices for any WAPC Charge Components that are higher than the Prices for such WAPC Charge Components in the immediately preceding Tariff List for the Relevant Financial Year published by NBN Co under clause 2B.2.3.

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- (b) NBN Co will not be required to publish an updated Tariff List (and re-apply the WAPC formula) under clause 2D.3.4(a) if, for the Financial Year ( $t$ ) in which NBN Co has withdrawn a Non-Recurring WAPC Charge Component, the  $q_{t-1,25}^m$  quantity for that Non-Recurring WAPC Charge Component (determined in accordance with clause 2D.2.2(g)) is zero.
- (c) If clause 2D.3.4(a) applies to a Non-Recurring WAPC Charge Component, the next Price Control Compliance Statement issued by NBN Co under clause 2F.2.1(a) after the WAPC Reapplication Date must include a statement of NBN Co's choice of treatment for  $p_t^m$  under clause 2D.3.4(a)(i) for that Non-Recurring WAPC Charge Component.

**Effects on WAPC calculations for subsequent Financial Years**

- (d) Each time the WAPC formula in clause 2D.2.2 is applied when NBN Co publishes or updates a Tariff List for a Financial Year after the Relevant Financial Year:
- (i) if NBN Co reasonably considered that there were one or more Non-Recurring Successor Charge Components for a Non-Recurring WAPC Charge Component under clause 2D.3.4(a)(i)(A):
- (A)  $p_t^m$  for that Non-Recurring WAPC Charge Component will be the weighted average  $p_t^m$  of the relevant Non-Recurring Successor Charge Components, weighted by the proportion of  $q_{t-1,25}^m$  quantities of that Non-Recurring WAPC Charge Component allocated to the relevant Non-Recurring Successor Charge Components, as reasonably determined by NBN Co under clause 2D.3.4(a)(i)(A); and
- (B)  $p_{t-1}^m$  for that Non-Recurring WAPC Charge Component will be the weighted average  $p_{t-1}^m$  of the relevant Non-Recurring Successor Charge Component, weighted by the proportion of  $q_{t-1,25}^m$  quantities of that Non-Recurring WAPC Charge Component allocated to the relevant Non-Recurring Successor Charge Component, as reasonably determined by NBN Co under clause 2D.3.4(a)(i)(A); and
- Exception: For the first Financial Year after the Relevant Financial Year, the  $p_{t-1}^m$  of each Non-Recurring Successor Charge Component (for the purposes of calculating the  $p_{t-1}^m$  of the relevant Non-Recurring WAPC Charge Component in clause 2D.3.4(d)(i)(B)) will be based on an average that excludes any days prior to the date on which NBN Co issued the updated Tariff List for the Relevant Financial Year under clause 2D.3.4(a).*
- (ii) if NBN Co did not reasonably consider that there was any Non-Recurring Successor Charge Component for a Non-Recurring WAPC Charge Component under clause 2D.3.4(a)(i)(B),  $p_t^m$  and  $p_{t-1}^m$  for that Non-Recurring WAPC Charge Component will be \$0.

(e) If:

- (i) NBN Co has updated a Tariff List for the Relevant Financial Year under clause 2D.3.4(a); and
- (ii) as at the date on which NBN Co has updated such Tariff List, NBN Co had already published a Tariff List under clause 2B.2.3(a) for the Financial Year immediately after the Relevant Financial Year (in this clause 2D.3.4(e), **Next Financial Year**).

NBN Co will, on the same date as it publishes an updated Tariff List for the Relevant Financial Year under clause 2D.3.4(a), update the Tariff List for the Next Financial Year by re-applying the WAPC formula in clause 2D.2.2 with the modifications set out in clause 2D.3.4(d).

**Interaction with definition of  $m$  in WAPC formula**

- (f) For the purposes of applying the WAPC consequences in clauses 2D.3.4(a)(i), 2D.3.4(a)(ii)(B) and 2D.3.4(d) in a Financial Year, a Non-Recurring WAPC Charge Component will be a WAPC Charge



Component  $m$  for that Financial Year, notwithstanding anything to the contrary in the definition of “ $m$ ” under clause 2D.2.2(c).

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## **2D.4 Overview of Cost Pass-Through Events**

### **2D.4.1 Overview**

Clauses 2D.4 to 2D.6 set out how the total annual cost pass-through amount  $AP_t$  is calculated for the purposes of clause 2D.2.5(b).

### **2D.4.2 Materiality of costs**

In clauses 2D.4 to 2D.5, a Cost Pass-Through Event results (or is likely to result) in NBN Co incurring **Materially** higher or lower costs of supplying WAPC Charge Components if the change in total costs (as distinct from building block costs) of supplying WAPC Charge Components that NBN Co has incurred and is likely to incur in any Financial Year of a Regulatory Cycle, as a result of that event, is:

- (a) equal to or greater than 1% of the Forecast Nominal Core Services ABBRR for that Financial Year;  
or
- (b) otherwise determined by the ACCC to be materially higher or lower.

### **2D.4.3 Costs likely to be incurred as a result of an NBN Service Standards Change Event**

The costs of supplying WAPC Charge Components that NBN Co has incurred and is likely to incur as a result of an NBN Service Standards Change Event will be taken to be the costs likely to be incurred by NBN Co if clause 2I.2.3(g) were to apply in respect of the Benchmark Service Standards Change Proposal to which that NBN Service Standards Change Event relates.

### **2D.4.4 Costs likely to be incurred as a result of a Government Policy Project Notice Event**

The costs of supplying WAPC Charge Components that NBN Co has incurred and is likely to incur as a result of a Government Policy Project Notice Event will be taken to be the costs incurred and likely to be incurred by NBN Co as a result of implementing the project or program which is the subject of the relevant Government Policy Project Notice.

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## **2D.5 Cost Pass-Through applications**

### **2D.5.1 Applications by NBN Co relating to Cost Pass-Through Events**

Subject to clause 2D.5.2, NBN Co:

- (a) may submit to the ACCC, within 90 Business Days of the occurrence of a Positive Change Event;  
and
- (b) must submit to the ACCC, within 90 Business Days of becoming aware of the occurrence of a Negative Change Event,

a proposal which:

- (c) states:
  - (i) details of the relevant Positive Change Event or Negative Change Event;

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- (ii) the date on which the Positive Change Event or Negative Change Event occurred or began to occur, or the period over which the Positive Change Event or Negative Change Event occurred; and
- (iii) why the Positive Change Event or Negative Change Event results, or is likely to result, in NBN Co incurring Materially higher or lower costs of supplying WAPC Charge Components; and
- (d) proposes:
  - (i) the Total Event Pass-Through Amount; and
  - (ii) the amount of that Total Event Pass-Through Amount,  $TCP_t$ , that should be passed through in each Financial Year ( $t$ ) after that in which, the Positive Change Event or Negative Change Event began,

(each such proposal, a Cost Pass-Through Application).

***Note:** An annual cost pass through amount  $TCP_t$  will be a positive amount in respect of a Positive Change Event, and will be a negative amount in respect of a Negative Change Event.*

### **2D.5.2 Request for a longer period to provide a Cost Pass-Through Application**

- (a) At least 10 Business Days before the expiry of the 90 Business Day period referred to in clause 2D.5.1, NBN Co may request a longer period in which to provide a Cost Pass-Through Application in relation to a Positive Change Event or Negative Change Event to the ACCC, by giving a notice to the ACCC which states:
  - (i) in respect of a Positive Change Event, the date on which the event occurred or began to occur (or the period over which the event occurred);
  - (ii) in respect of a Negative Change Event, the date on which the event occurred or began to occur (or the period over which the event occurred), as well as the date on which NBN Co became aware of the occurrence of the event;
  - (iii) the period within which NBN Co proposes to provide a Cost Pass-Through Application to the ACCC in relation to that Positive Change Event or Negative Change Event; and
  - (iv) the reasons for the request.
- (b) The ACCC may, prior to the expiry of the 90 Business Day period referred to in clause 2D.5.1, determine whether to approve or deny a request by NBN Co made in accordance with 2D.5.2(a).
- (c) If the ACCC approves a request under clause 2D.5.2(b), then the period of time within which NBN Co must submit the relevant Cost Pass-Through Application will be the date determined by the ACCC, which must not be earlier than the due date for making the Cost Pass-Through Application under clause 2D.5.1.

### **2D.5.3 Notification of Negative Change Events by the ACCC**

The ACCC may notify NBN Co of the occurrence of a Negative Change Event if NBN Co has not provided a Cost Pass-Through Application to the ACCC relating to that Negative Change Event, in which case, NBN Co need not then make a Cost Pass-Through Application in respect of that Negative Change Event.

***Note:** Provisions regarding ACCC requests for information from NBN Co are set out in clause 6.3.*

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**2D.5.4 ACCC determination in relation to a Cost Pass-Through Application**

(a) Subject to clause 2D.5.5, within 40 Business Days after the date on which:

(i) NBN Co submits a Cost Pass-Through Application under clause 2D.5.1; or

(ii) the ACCC notifies NBN Co of the occurrence of a Negative Change Event under clause 2D.5.3,

the ACCC may issue a determination stating whether the relevant Positive Change Event or Negative Change Event has occurred and if so, stating:

(iii) the Total Event Pass-Through Amount; and

(iv) the amount of that Total Event Pass-Through Amount that should be passed through,  $TCP_t$ , in each Financial Year ( $t$ ) after that in which the Positive Change Event or Negative Change Event began.

*Note: An annual cost pass through amount  $TCP_t$  will be a positive amount in respect of a Positive Change Event, and will be a negative amount in respect of a Negative Change Event.*

(b) In issuing a determination under clause 2D.5.4(a) in respect of a Government Policy Project Notice Event, the ACCC may calculate the Total Event Pass-Through Amount by capping the amount of Operating Expenditure and/or Capital Expenditure for the project or program which is the subject of the relevant Government Policy Project Notice at the relevant maximum amount specified in that notice (if that notice specifies such a maximum amount).

(c) In issuing a determination under clause 2D.5.4(a), the ACCC must take into account:

(i) in the case of a Positive Change Event, the efficiency of NBN Co's decisions and actions in relation to the risk of the Positive Change Event, including whether NBN Co:

(A) has failed to take any action that could reasonably have been taken to reduce the magnitude of the Total Event Pass-Through Amount in respect of that Positive Change Event; and

(B) has taken or omitted to take any action, where such action or omission has increased the magnitude of the Total Event Pass-Through Amount in respect of that Positive Change Event;

(ii) the need to ensure that NBN Co only recovers any actual or likely increment in costs to the extent that such increment is solely a consequence of a Cost Pass-Through Event;

(iii) whether the costs of the Cost Pass-Through Event have already been factored into the calculation of the WAPC Revenue Requirement;

(iv) the time cost of money based on the rate of return used to calculate the Forecast Nominal ABBRR and Forecast Nominal Core Services ABBRR under clauses 2G.2.1 and 2G.2.2 (respectively) for the Regulatory Cycle in which the Positive Change Event or Negative Change Event occurred; and

(v) any other factors the ACCC considers relevant.

(d) The ACCC may, by notifying NBN Co, extend the period referred to in clause 2D.5.4(a) (regardless of whether that period has already been extended under this clause 2D.5.4(d)) by up to two months per notice of extension.

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(e) If the ACCC does not make the determination referred to in clause 2D.5.4(a) within the time period specified in that clause (as extended under clause 2D.5.4(d)), then on the expiry of that period:

- (i) in respect of a Positive Change Event: the Total Event Pass-Through Amount and the annual pass-through amounts  $TCP_t$  for each Financial Year ( $t$ ) are as proposed by NBN Co in its Cost Pass-Through Application for that Positive Change Event; and
- (ii) in respect of a Negative Change Event: the Total Event Pass-Through Amount and the annual pass-through amounts  $TCP_t$  for each Financial Year ( $t$ ) are zero.

### **2D.5.5 NBN Co may withdraw Cost Pass-Through Applications in respect of Positive Change Events**

At any time after the submission of a Cost Pass-Through Application in respect of a Positive Change Event under clause 2D.5.1(a) and before the ACCC makes a determination under clause 2D.5.4(a), NBN Co may provide to the ACCC a notice that NBN Co is withdrawing that Cost Pass-Through Application, in which case:

- (a) the ACCC may not make any determination in respect of that Cost Pass-Through Application; and
- (b) for the purposes of clause 2D.6, there will be no annual cost pass-through amount  $TCP_t$  in respect of that Cost Pass-Through Application.

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### **2D.6 Allowed cost pass-through amount**

For the purposes of clause 2D.2.5(b), the total cost pass-through amount  $AP_t$  in each relevant Financial Year ( $t$ ) will be equal to the sum of the annual cost pass-through amount  $TCP_t$  for each Cost Pass-Through Event for that Financial Year as determined:

- (a) by the ACCC in accordance with clause 2D.5.4(a); or
- (b) in accordance with clause 2D.5.4(e),

provided that, where the Cost Pass-Through Event is an NBN Service Standards Change Event, NBN Co has given the ACCC notice that it wishes to proceed with the proposed changes in the relevant Benchmark Service Standards Change Proposal in accordance with the timeframe specified in clause 2I.2.3(g)(ii)(B)(II).

## Schedule 2E Additional price controls

### 2E.1 General

This Schedule 2E applies for the Subsequent Regulatory Period.

### 2E.2 Individual price controls

#### 2E.2.1 Entry Level Offers

- (a) Subject to clause 2E.4, when publishing the Tariff List for Financial Year  $t$  under clause 2B.2.3(a) (other than for the first Financial Year of the First Regulatory Cycle), the Forecast Average Combined Charge during that Financial Year for each Bundled TC-4 Offer that is an Entry Level Offer must be no greater than:

$$ACC_{t-1} \times (1 + CPI_t)$$

where:

- (i)  $ACC_{t-1}$  means the weighted average of:

- (A) the Average Combined Charge during the period from 1 July to 31 March of Financial Year  $t - 1$ ; and
- (B) the Forecast Average Combined Charge for the period from 1 April to 30 June of Financial Year  $t - 1$ ,

weighted by the number of the days in each of the periods in paragraphs (A) and (B); and

***Exception:*** If Financial Year  $t$  is the second Financial Year of the Subsequent Regulatory Period, the period referred to in clause 2E.2.1(a)(i)(A) will commence on the Price Transition Date, rather than 1 July of Financial Year  $t - 1$ .

- (ii)  $CPI_t$  means the December Quarter CPI published in Financial Year  $t - 1$ .

- (b) For each Financial Year  $t$  (other than the first Financial Year of the Subsequent Regulatory Period), the Prices included in the Tariff List published under clause 2B.2.3(a) for each Flat-Rate Offer which is an Entry Level Offer when the Tariff List is published must be no greater than:

$$p_{t-1} \times (1 + CPI_t)$$

where:

- (i)  $CPI_t$  means the December Quarter CPI published in Financial Year  $t - 1$ ; and

- (ii)  $p_{t-1}$  means the average Price in the Tariff List of the relevant Entry Level Offer during Financial Year  $t - 1$ , calculated as the sum of:

- (A) the Price in the Tariff List that applied on each day from 1 July to 31 March of Financial Year  $t - 1$ ; and
- (B) the Price that is forecast to be set out in the Tariff List on each day from 1 April to 30 June of Financial Year  $t - 1$ ,

divided by the number of the days in Financial Year  $t - 1$ .

## Schedule 2E (Additional price controls)

**Exception:** If Financial Year  $t$  is the second Financial Year of the Subsequent Regulatory Period,  $p_{t-1}$  means the average Price in the Tariff List of the relevant Entry Level Offer during Financial Year  $t - 1$ , calculated as the sum of:

- the Price in the Tariff List that applied on each day from the Price Transition Date to 31 March of Financial Year  $t - 1$ ; and
- the Price that is forecast to be set out in the Tariff List on each day from 1 April to 30 June of Financial Year  $t - 1$ .

divided by the number of days from the Price Transition Date to 30 June of Financial Year  $t - 1$ , inclusive.

## **2E.2.2 Fixed line and fixed wireless TC-4 offers**

(a) The Individual Price Controls in clause 2E.2.2(b) and 2E.2.2(c) do not apply to Entry Level Offers.

**Note:** Entry Level Offers are subject to the Individual Price Controls in clause 2E.2.1.

(b) For each Financial Year  $t$  (other than first Financial Year of the Subsequent Regulatory Period), the Price in the Tariff List published under clause 2B.2.3(a) for each Flat-Rate Offer must be no greater than:

$$p_{t-1} \times (1 + \text{Price Increase Limit})$$

where:

(i) Price Increase Limit means the greater of:

- (A) 5%; and
- (B) the December Quarter CPI published in Financial Year  $t - 1$ ; and

(ii)  $p_{t-1}$  means the average Price in the Tariff List of the relevant Flat-Rate Offer during Financial Year  $t - 1$ , calculated as the sum of:

- (A) the Price in the Tariff List that applied on each day from 1 July to 31 March of Financial Year  $t - 1$ ; and
- (B) the Price that is forecast to be set out in the Tariff List on each day from 1 April to 30 June of Financial Year  $t - 1$ .

divided by the number of the days in Financial Year  $t - 1$ .

**Exception 1:** If Financial Year  $t$  is the second Financial Year of the Subsequent Regulatory Period,  $p_{t-1}$  means the average Price in the Tariff List of the relevant Flat-Rate Offer during Financial Year  $t - 1$ , calculated as the sum of:

- the Price in the Tariff List that applied on each day from the Price Transition Date to 31 March of Financial Year  $t - 1$ ; and
- the Price that is forecast to be set out in the Tariff List on each day from 1 April to 30 June of Financial Year  $t - 1$ .

divided by the number of days from the Price Transition Date to 30 June of Financial Year  $t - 1$ , inclusive.

**Exception 2:** Where a Flat-Rate Offer has been introduced between 1 July and 31 March of Financial Year  $t - 1$ ,  $p_{t-1}$  will be calculated as the sum of:

## Schedule 2E (Additional price controls)

- the Price in the Tariff List that applied on each day from the date that NBN Co first supplies that Flat-Rate Offer to 31 March of Financial Year  $t - 1$ ; and
- the Price that is forecast to be set out in the Tariff List on each day from 1 April to 30 June of Financial Year  $t - 1$ .

divided by the number of days from the date that NBN Co first supplies that Flat-Rate Offer to 30 June of Financial Year  $t - 1$ , inclusive.

- (c) Subject to clause 2E.4, when publishing the Tariff List for Financial Year  $t$  under clause 2B.2.3(a) (other than for the first Financial Year of the First Regulatory Cycle), the Forecast Average Combined Charge during that Financial Year for each Bundled TC-4 Offer must be no greater than:

$$ACC_{t-1} \times (1 + \text{Price Increase Limit})$$

where:

- (i)  $ACC_{t-1}$  means the weighted average of:

- (A) the Average Combined Charge during the period from 1 July to 31 March of Financial Year  $t - 1$ ; and
- (B) the Forecast Average Combined Charge for the period from 1 April to 30 June of Financial Year  $t - 1$ ,

weighted by the number of the days in each of the periods in paragraphs (A) and (B); and

**Exception 1:** If Financial Year  $t$  is the second Financial Year of the Subsequent Regulatory Period, the period referred to in clause 2E.2.2(c)(i)(A) will commence on the Price Transition Date, rather than 1 July of Financial Year  $t - 1$ .

**Exception 2:** Where a Bundled TC-4 Offer has been introduced between 1 July and 31 March of Financial Year  $t - 1$ , the period referred to in clause 2E.2.2(c)(i)(A) will commence on the date that NBN Co first supplies that Bundled TC-4 Offer, rather than 1 July of Financial Year  $t - 1$ .

- (ii) **Price Increase Limit** means the greater of:

- (A) 5%; and
- (B) the December Quarter CPI published in Financial Year  $t - 1$ .

- (d) On and from the Price Transition Date, in each Financial Year in the Subsequent Regulatory Period, the Price in the Tariff List for the Connectivity Virtual Circuit Offer (TC-4) in respect of all NBN Co Networks other than the NBN Co Satellite Network must be at or below the applicable amount in the table below:

<u>Financial Year beginning</u>	<u>Price commitment</u>
<u>1 July 2023</u>	<u>\$8.00</u>
<u>1 July 2024</u>	<u>\$7.00</u>
<u>1 July 2025</u>	<u>\$6.00</u>
<u>1 July 2026 and later</u>	<u>\$0.00</u>

**Note:** The committed reduction in Prices for the Connectivity Virtual Circuit Offer (TC-4) in respect of all NBN Co Networks other than the NBN Co Satellite Network in this clause 2E.2.2(d) is intended to occur in conjunction with increases to the Prices for Bundled TC-4 Offers, such that there is an effective re-balancing between the Price of the Bundled TC-4 Offers and the Price of the Connectivity Virtual Circuit Offer (TC-4) as it applies in conjunction with a Bundled TC-4 Offer, until the Price of the Connectivity Virtual Circuit Offer (TC-4) reaches \$0.00. From the point that the Price of the Connectivity Virtual Circuit Offer (TC-4) reaches \$0.00, the Bundled TC-4 Offers will convert to Flat-Rate Offers pursuant to clause 2B.3.1(d).

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(e) In each Financial Year in the Subsequent Regulatory Period, the Price in the Tariff List for the Connectivity Virtual Circuit Offer (TC-4) will not apply in conjunction with any Flat-Rate Offer.

(f) NBN Co must not change the Price structure of a Flat-Rate Offer such that it ceases to be a Flat-Rate Offer.

*Note: The Price for a Flat-Rate Offer includes an AVC TC-4 set out in clause 2B.3.1(a) and any CVC TC-4 Data Transfer Rate utilised by an Access Seeker in conjunction with that AVC TC-4. No additional charges apply for CVC TC-4 utilised in conjunction with a Flat-Rate Offer.*

### **2E.2.3 Satellite TC-4 products**

(a) In each Financial Year  $t$  (other than first Financial Year of the Subsequent Regulatory Period), for each Asymmetric AVC Offer in respect of the NBN Co Satellite Network, and each other NBN Offer as may be introduced for an AVC TC-4, AVC TC-1 and UNI-D bundle in respect of the NBN Co Satellite Network that is not a Bundled TC-4 Offer or Flat-Rate Offer (where such other introduced NBN Offers will be Asymmetric AVC Offers for the purposes of this clause 2E.2.3 only), the Price in the Tariff List must be no greater than:

$$p_{t-1} \times (1 + CPI_t)$$

where:

(i)  $CPI_t$  means the December Quarter CPI published in Financial Year  $t - 1$ ; and

(ii)  $p_{t-1}$  means the average Price in the Tariff List of the relevant Asymmetric AVC Offer during Financial Year  $t - 1$ , calculated as the sum of:

(A) the Price in the Tariff List that applied on each day from 1 July to 31 March of Financial Year  $t - 1$ ; and

(B) the Price that is forecast to be set out in the Tariff List on each day from 1 April to 30 June of Financial Year  $t - 1$ ,

divided by the number of the days in Financial Year  $t - 1$ .

*Exception: Where an Asymmetric AVC Offer has been introduced between 1 July and 31 March of Financial Year  $t - 1$ ,  $p_{t-1}$  will be calculated as the sum of:*

- the Price in the Tariff List that applied on each day from the date that NBN Co first supplies that Asymmetric AVC Offer to 31 March of Financial Year  $t - 1$ ; and*
- the Price that is forecast to be set out in the Tariff List on each day from 1 April to 30 June of Financial Year  $t - 1$ ,*

*divided by the number of days from the date that NBN Co first supplies that Asymmetric AVC Offer to 30 June of Financial Year  $t - 1$ , inclusive.*

(b) In each Financial Year  $t$ , the Price in the Tariff List for each Connectivity Virtual Circuit Offer (TC-4) in respect of the NBN Co Satellite Network must be no greater than \$15.75 per provisioned Mbps per month.

(c) In each Financial Year  $t$ , the Price in the Tariff List for the CVC Class Offers supplied in conjunction with the Connectivity Virtual Circuit Offer (TC-4) in respect of the NBN Co Satellite Network must be at or below the applicable amount in the table below for the relevant CVC Class:

<u>CVC Class</u>	<u>Price commitment, per associated AVC TC-4</u>
<u>0</u>	<u>\$0.00</u>



## Schedule 2E (Additional price controls)

<u>CVC Class</u>	<u>Price commitment, per associated AVC TC-4</u>
<u>1</u>	<u>\$18.00</u>
<u>2</u>	<u>\$40.00</u>

**2E.2.4 Other Charges based on hourly labour rate and/or cost of materials**

In respect of an Other Charge that consists of an hourly labour rate (or such other labour-based charge) and/or costs of materials:

(a) the labour-based component of the Other Charge may only be increased by indexing it to the ABS Wage Price Index for Private Sector Construction or by periodically resetting it with reference to the relevant rates charged to NBN Co by its contractors; and

(b) materials will be charged at cost.

**2E.2.5 Recurring WAPC Charge Components of Products withdrawn under clause 2H.6.2(a)**

(a) If:

(i) NBN Co has issued a notice under clause 2H.6.2(a) to withdraw a Product, Product Component, Product Feature, Ancillary Service or type of Facilities Access Service (referred to collectively in this clause 2E.2.5 and 2E.2.6 as **Products**, unless the contrary intention appears); and

(ii) one or more components or elements of that Product is a Recurring WAPC Charge Component,

then:

(iii) subject to clause 2E.2.5(b), the Price of each Recurring WAPC Charge Component of that Product in each Tariff List published or updated after the date of the notice under clause 2H.6.2(a) must not be greater than the Price of that Recurring WAPC Charge Component Offer on the date of such notice.

(b) If the ACCC gives NBN Co a Withdrawal Objection Notice in respect of a Product, then, from the date of such Withdrawal Objection Notice, each Recurring WAPC Charge Component of that Product will no longer be subject to the individual price control in clause 2E.2.5(a).

*Note: If clause 2E.2.5(b) applies, the Price of each Recurring WAPC Charge Component for that Product published in a Tariff List will remain subject to any other price controls applicable to it under Schedule 2B to Schedule 2E, including the WAPC in clause 2D.2.2 and any other applicable individual price controls under Schedule 2E.*

**2E.2.6 Recurring WAPC Charge Components of Products where withdrawal is required by law or directed by Shareholder Ministers**

(a) If:

(i) NBN Co becomes aware of a requirement to withdraw a Product on the grounds referred to in clause 2H.6.4(a) (the date of NBN Co becoming aware of such requirement being the **Withdrawal Reference Date**); and

(ii) one or more components or elements of that Product is a Recurring WAPC Charge Component,

then:

## Schedule 2E (Additional price controls)

(iii) subject to clause 2E.2.6(b), the Price of each Recurring WAPC Charge Component of that Product in each Tariff List published after the Withdrawal Reference Date must not be greater than the Price of that Recurring WAPC Charge Component Offer on the Withdrawal Reference Date.

(b) If, following the Withdrawal Reference Date for a Product, NBN Co becomes aware that such Product is no longer required to be withdrawn on the grounds referred to in clause 2H.6.4(a), each Recurring WAPC Charge Component of that Proposed Withdrawn Product will no longer be subject to the individual price control in clause 2E.2.6(a).

*Note: If clause 2E.2.6(b) applies, the Price of each Recurring WAPC Charge Component for that Product published in a Tariff List will remain subject to any other price controls applicable to it under Schedule 2B to Schedule 2E, including the WAPC in clause 2D.2.2 and any other applicable individual price controls under Schedule 2E.*

## 2E.3 Backward-looking compliance in respect of Average Combined Charges

For the purposes of clause 2E.4 (Effect of exceeding a Backward-looking Price Control) and clause 2F.2.1(a)(ii) (in relation to publishing a Price Control Compliance Statement), the backward-looking price controls which apply in respect of an Average Combined Charge (**Backward-looking Price Controls**) will be exceeded if:

(a) in Financial Year  $t$  (other than the first Financial Year of the Subsequent Regulatory Period), the  $ACC_t$  for each Entry Level Offer that is a Bundled TC-4 Offer was greater than:

$$ACC_{t-1} \times (1 + CPI_t)$$

where:

(i)  $ACC_t$  means the weighted average of:

(A) the Average Combined Charge during the period from 1 July to 31 March of Financial Year  $t$ ; and

(B) the Forecast Average Combined Charge for the period from 1 April to 30 June of Financial Year  $t$ ;

weighted by the number of days in each of the periods in paragraphs (A) and (B);

(ii)  $ACC_{t-1}$  means the Average Combined Charge for the relevant Entry Level Offer during Financial Year  $t - 1$ ;

*Exception: If Financial Year  $t$  is the second Financial Year of the Subsequent Regulatory Period,  $ACC_{t-1}$  means the Average Combined Charge for the relevant Entry Level Offer during the period from the Price Transition Date to 30 June of Financial Year  $t - 1$ , inclusive.*

(iii)  $CPI_t$  means the December Quarter CPI published in Financial Year  $t - 1$ ; and

(iv) **Financial Year  $t$**  means the Financial Year in which NBN Co is to publish the Price Control Compliance Statement pursuant to clause 2F.2.1(a); and

(b) in Financial Year  $t$  (other than the first Financial Year of the Subsequent Regulatory Period), the  $ACC_t$  for each Bundled TC-4 Offer (other than an Entry Level Offer) was greater than:

$$ACC_{t-1} \times (1 + Price Increase Limit)$$

## Schedule 2E (Additional price controls)

where:

(i)  $ACC_t$  means the weighted average of:

(A) the Average Combined Charge during the period from 1 July to 31 March of Financial Year  $t$ ; and

(B) the Forecast Average Combined Charge for the period from 1 April to 30 June of Financial Year  $t$ ;

weighted by the number of days in each of the periods in paragraphs (A) and (B);

(ii)  $ACC_{t-1}$  means the Average Combined Charge for the relevant Bundled TC-4 Offer during Financial Year  $t - 1$ ;

***Exception 1:** If Financial Year  $t$  is the second Financial Year of the Subsequent Regulatory Period,  $ACC_{t-1}$  means the Average Combined Charge for the relevant Bundled TC-4 Offer during the period from the Price Transition Date to 30 June of Financial Year  $t - 1$ , inclusive.*

***Exception 2:** Where a Bundled TC-4 Offer has been introduced between 1 July and 31 March of Financial Year  $t - 1$ ,  $ACC_{t-1}$  means the Average Combined Charge for the relevant Bundled TC-4 Offer during the period from the date that NBN Co first supplies that Bundled TC-4 Offer to 30 June of Financial Year  $t - 1$ , inclusive.*

(iii) **Price Increase Limit** means the greater of:

(A) 5%; and

(B) December Quarter CPI published in Financial Year  $t - 1$ ; and

(iv) **Financial Year  $t$**  means the Financial Year in which NBN Co is to publish the Price Control Compliance Statement pursuant to clause 2F.2.1(a).

---

## **2E.4 Effect of exceeding a Backward-looking Price Control**

If:

(a) the  $ACC_t$  of a Bundled TC-4 Offer in a given Financial Year (in this clause 2E.4, **Given Financial Year**) has exceeded a Backward-looking Price Control under clauses 2E.3(a) or 2E.3(b),

then:

~~(d)~~(b) when applying the corresponding Individual Price Control in respect of that Bundled TC-4 Offer under clauses 2E.2.1(a) or 2E.2.2(c) in respect of the Financial Year immediately after the Given Financial Year, the value of " $ACC_{t-1}$ " for that Bundled TC-4 Offer for the purposes of applying that Individual Price Control will be set as if the  $ACC_t$  for that Bundled TC-4 Offer in the Given Financial Year had not exceeded the relevant Backward-looking Price Control.

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## Schedule 2F Compliance and other price control matters

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### 2F.1 General

This Schedule 2F applies for the Subsequent Regulatory Period.

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### 2F.2 Compliance with price controls

#### 2F.2.1 Price Control Compliance Statement

- (a) Subject to clauses 2F.2.1(b) to 2F.2.1(d), no later than 1 May immediately preceding each Financial Year in the Subsequent Regulatory Period, NBN Co will publish a document (a **Price Control Compliance Statement**):
- (i) certifying that the Prices included in the Tariff List published under clause 2B.2.3 for that Financial Year are consistent with the WAPC formula in clause 2D.2.2, the Individual Price Controls and the TC-4 Price Relativity Restriction; and
  - (ii) stating whether the Backward-looking Price Controls in clause 2E.3 have been exceeded in the Financial Year in which the Price Control Compliance Statement is published and, if so, how NBN Co has given effect to clause 2E.4.
- (b) NBN Co will, at the same time as publishing a Price Control Compliance Statement, provide to the ACCC such other information that NBN Co considers is reasonably necessary for the ACCC to assess NBN Co's compliance with the matters in clause 2F.2.1(a), including the value and calculation of the excess adjustment factor *EM* in the WAPC formula applied in setting Prices in the Tariff List referred to in clause 2F.2.1(a)(i).
- Note: Provisions regarding ACCC requests for information from NBN Co are set out in clause 6.3.*
- (c) NBN Co will not be required to publish a Price Control Compliance Statement on 1 May immediately preceding the first Financial Year in the Subsequent Regulatory Period.
- (d) On 1 May immediately preceding the second Financial Year in the Subsequent Regulatory Period, NBN Co will only be required to publish a Price Control Compliance Statement covering the subject-matter in clause 2F.2.1(a)(i).
- 

### 2F.3 Other relevant matters relating to price controls

- (a) For the purposes of the WAPC formula in clause 2D.2.2 and the Individual Price Controls, the following rounding conventions will apply:
- (i) all Prices, Average Combined Charges, Forecast Average Combined Charges, quantities *q* of WAPC Charge Components and the X-Factor (*X*) (as relevant) will be rounded before being applied in the WAPC formula and Individual Price Controls;
  - (ii) all Prices for a WAPC Charge Component will be rounded to two decimal places, except if a larger number of decimal places was stated for the Price for that WAPC Charge Component in the most recent Tariff List published by NBN Co, in which case the rounding will be to that higher number of decimal places;
  - (iii) in respect of Bundled TC-4 Offers, all Average Combined Charges and Forecast Average Combined Charges will be rounded to two decimal places, except if a larger number of decimal places was stated for the Price for the relevant Bundled TC-4 Offer in the most

## Schedule 2F (Compliance and other price control matters)

recent Tariff List published by NBN Co, in which case the rounding will be to that higher number of decimal places;

- (iv) all quantities  $q$  of WAPC Charge Components will be rounded to two decimal places (noting that in some cases, average quantities are used);
  - (v) the X-Factor ( $X$ ) will be rounded to two decimal places; and
  - (vi) all other values (e.g. CPI, the excess adjustment factor  $EM$ , the cost pass-through adjustment factor  $PT$ , etc) will not be rounded.
- (b) For the purposes of the WAPC formula in clause 2D.2.2 and the compliance provisions in clause 2F.2, NBN Co need not identify or report on the quantity of a charge component  $m$  if the Price for that charge component as stated in the Tariff List for the whole time period in which the quantity would otherwise be used in the WAPC formula is \$0.

*Note: For example, if the relevant Price for the Sandpit Offer in the Tariff List is \$0 for Financial Year  $t$  and Financial Year  $t - 1$ , then NBN Co need not identify or report on the quantity of the Sandpit Offer supplied for the period  $t - 1.25$  for the purposes of the WAPC formula (where, in that example, both  $p_t \times q_{t-1.25}$  and  $p_{t-1} \times q_{t-1.25}$  would be \$0, regardless of the value of  $q_{t-1.25}$ ).*

- (c) Where an error, omission or miscalculation has been identified in the application of the WAPC formula in clause 2D.2.2 or the Individual Price Controls for a given Financial Year  $t - 1$ , that error, omission or miscalculation must be corrected for the purposes of applying the WAPC formula in clause 2D.2.2 and Individual Price Controls for Financial Year  $t$ .
- (d) For the avoidance of doubt, for the purposes of the WAPC formula in clause 2D.2.2, the Individual Price Controls and the TC-4 Price Relativity Restriction:
- (i) to the extent the calculation of a Price or Forecast Average Combined Charge is based on a forecast or estimate, the fact that the actual amount of the parameter being forecast or estimated is different to the forecast or estimated amount does not constitute non-compliance with the WAPC formula in clause 2D.2.2, the applicable Individual Price Control or the TC-4 Price Relativity Restriction; and
  - (ii) to the extent that NBN Co may have over-recovered or under-recovered revenue as a consequence of an error, omission or miscalculation in the application of the WAPC formula in clause 2D.2.2, the Individual Price Controls or the TC-4 Price Relativity Restriction, no adjustment may be made in the future application of the WAPC formula in 2D.2.2, the Individual Price Controls or the TC-4 Price Relativity Restriction to reflect any over-recovery or under-recovery amount, except through the 'excess adjustment factor' in clause 2D.2.6 and the effect of exceeding a Backward-looking Price Control as set out in clause 2E.4.

## **2F.4 Calculation of Average Combined Charges and Forecast Average Combined Charges**

### **2F.4.1 Average Combined Charges**

In this Module 2:

- (a) **Access Seeker Daily Combined Charge** means, on a given day for a given Bundled TC-4 Offer and a given Access Seeker, the amount calculated in accordance with the formula below:

$$\text{Bundled Price} + (\text{Daily Peak Utilisation} - \text{CVC Inclusion}) \times \text{Overage Charge} \\ \times \text{Overage Indicator}$$

## Schedule 2F (Compliance and other price control matters)

where:

- (i) **Bundled Price** means the monthly recurring Price in the Tariff List for that Bundled TC-4 Offer applicable on that day;
- (ii) **Daily Peak Utilisation** means on that day for the Bundled TC-4 Offer Group of which that Bundled TC-4 Offer forms part, the sum of Daily CSA Peak Utilisation across all CSAs, divided by the total number of AVC TC-4 Product Components in that Bundled TC-4 Offer Group supplied to that Access Seeker across all CSAs on that day;
- (iii) **CVC Inclusion** means the CVC TC-4 inclusion in the Tariff List applicable on that day;
- (iv) **Overage Charge** means the monthly recurring Price in the Tariff List for the Connectivity Virtual Circuit Offer (TC-4) in respect of NBN Co Networks other than the NBN Co Satellite Network applicable on that day; and
- (v) **Overage Indicator** means:
  - (A) 1, if the sum of Daily CSA Peak Utilisation for all Bundled TC-4 Offer Groups for all CSAs exceeded the sum of CVC Inclusions across all AVC TC-4 Product Components under all Bundled TC-4 Offers supplied to the Access Seeker on that day; and
  - (B) otherwise, zero;
- (b) **National Daily Combined Charge** means, on a given day for a given Bundled TC-4 Offer, the weighted average Access Seeker Daily Combined Charge across all Access Seekers, weighted by the number of AVC TC-4 Product Components supplied under that Bundled TC-4 Offer per Access Seeker on that day; and
- (c) **Average Combined Charge** means, for a given Bundled TC-4 Offer and a given time period, the average National Daily Combined Charge across that time period (calculated based on the sum of the National Daily Combined Charge for each day in that time period, divided by the number of days in that time period).

#### **2F.4.2 Forecast Average Combined Charges**

- (a) In this Module 2, **Forecast Average Combined Charge** means, for a given Bundled TC-4 Offer and a given time period, the sum of:
  - (i) the forecast average monthly recurring Price in the Tariff List for that Bundled TC-4 Offer over the given time period; and
  - (ii) an amount equal to:
    - (A) the forecast average monthly recurring Price in the Tariff List for the Connectivity Virtual Circuit Offer (TC-4) in respect of NBN Co Networks other than the NBN Co Satellite Network over the given time period;
    - (B) multiplied by:
      - (I) the forecast average daily peak utilisation (in Mbps) for all AVC TC-4 Product Components for all Access Seekers for the Bundled TC-4 Offer Group of which that Bundled TC-4 Offer forms part, over the given time period; minus
      - (II) the forecast average CVC TC-4 inclusion (in Mbps) in the Tariff List for that Bundled TC-4 Offer over the given time period,

## Schedule 2F (Compliance and other price control matters)

where the forecast average daily peak utilisation may be derived from forecast monthly utilisation or forecast annual utilisation.

*Exception: Where the amount in paragraph (B)(I) minus the amount in paragraph (B)(II) results in a negative number, the forecast Price referred to in paragraph (A) will be multiplied by 0 instead of being multiplied by the amount in paragraph (B).*

- (b) In respect of references to a Forecast Average Combined Charge in clauses 2B.2.4, 2C.2, 2D.2.2, 2E.2 or 2E.3, each element of that Forecast Average Combined Charge in clauses 2F.4.2(a)(i)–(ii) will be reasonably forecast by NBN Co.
- (c) To the extent that an element in clauses 2F.4.2(a)(i)–(ii) is based on demand forecasts, those demand forecasts must:
- (i) be based on an appropriate forecasting methodology;
  - (ii) be based on reasonable assumptions about the key drivers of demand;
  - (iii) be determined utilising the best available information, including historical data that can identify trends in demand; and
  - (iv) be determined taking into account current demand and economic conditions.

## **2F.5 Resetting the Prices in the Tariff List for new NBN Offers and new Other Charges**

### **2F.5.1 Effect of Resetting Regulatory Determination in Relevant Financial Year**

Subject to clause 2F.5.3, if in a Financial Year (in this clause 2F.5, **Relevant Financial Year**) the ACCC has made a Resetting Regulatory Determination in respect of an NBN Offer or Other Charge that is a new service or that ceased to be Zero-Priced, NBN Co must update the Tariff List applying for the Relevant Financial Year in accordance with clause 2B.2.3(d)(iii) to give effect to the maximum price specified in that Resetting Regulatory Determination (which may be a maximum price of \$0.00).

### **2F.5.2 Effect of Resetting Regulatory Determination in next Financial Year**

- (a) Subject to clause 2F.5.3, if, in the period from 1 July to 30 April in the Relevant Financial Year, the ACCC has made a Resetting Regulatory Determination in respect of an NBN Offer or Other Charge, then:
- (i) if that NBN Offer or Other Charge is a WAPC Charge Component, then, for the purposes of publishing a Tariff List for Financial Year  $t$  (being the Financial Year after the Relevant Financial Year), the WAPC formula in clause 2D.2.2 will be applied such that the  $p_{t-1}^m$  for that NBN Offer or Other Charge will be the maximum price specified for that NBN Offer or Other Charge in the Resetting Regulatory Determination (except where the NBN Offer is a Bundled TC-4 Offer, in which case the  $p_{t-1}^m$  will be calculated such that the Bundled Price in the Average Combined Charge, and the forecast average monthly recurring Price in the Forecast Average Combined Charge, as used to calculate  $p_{t-1}^m$ , will be the maximum price specified for that NBN Offer in the Resetting Regulatory Determination); and
  - (ii) if that NBN Offer or Other Charge is subject to an Individual Price Control under clauses 2E.2.1 to 2E.2.3 in Financial Year  $t$  (being the Financial Year after the Relevant Financial Year), such Individual Price Control will be applied such that the  $p_{t-1}$  for that NBN Offer or Other Charge under the relevant Individual Price Control will be the maximum price specified for that NBN Offer or Other Charge in the Resetting Regulatory Determination

## Schedule 2F (Compliance and other price control matters)

(except where the NBN Offer is a Bundled TC-4 Offer, in which case, when applying the relevant Individual Price Control in Financial Year  $t$ ,  $ACC_{t-1}$  will be calculated such that the Bundled Price in the Average Combined Charge, and the forecast average monthly recurring Price in the Forecast Average Combined Charge, as used to calculate  $ACC_{t-1}$ , will be the maximum price specified for that NBN Offer in the Resetting Regulatory Determination).

- (b) Subject to clause 2F.5.3, if in the period from 1 May to 30 June in the Relevant Financial Year, the ACCC has made a Resetting Regulatory Determination in respect of an NBN Offer or Other Charge, NBN Co must update the Tariff List published previously by NBN Co for Financial Year  $t$  (being the Financial Year immediately after the Relevant Financial Year), and in doing so NBN Co must ensure that:
- (i) the Prices stated in the updated Tariff List for WAPC Charge Components comply with the WAPC formula in clause 2D.2.2, adopting the approach in clause 2F.5.2(a)(i);
  - (ii) the Price of the NBN Offer or Other Charge subject to the Resetting Regulatory Determination complies with any applicable Individual Price Controls under clauses 2E.2.1 to 2E.2.3, adopting the approach in clause 2F.5.2(a)(ii); and
  - (iii) except in the case of the NBN Offer or Other Charge to which the Resetting Regulatory Determination relates, the Prices stated in the updated Tariff List are not higher than those stated in the Tariff List published previously by NBN Co to apply for Financial Year  $t$  (being the Financial Year immediately after the Relevant Financial Year).

### **2F.5.3 Exceptions for Prices set out in Attachment E to Attachment H**

- (a) Clauses 2F.5.1 and 2F.5.2 will not apply, and NBN Co will not be required to update the Tariff List in accordance with clause 2B.2.3(d)(iii), if, at the time a Resetting Regulatory Determination is made in respect of an NBN Offer or Other Charge, that NBN Offer or Other Charge:
- (i) has a Price in the Tariff List that is no higher than a Price for that NBN Offer or Other Charge in Attachment E to Attachment H; or
  - (ii) is a Flat-Rate Offer, a Bundled TC-4 Offer or a Bundled TC-2 Offer set out in clauses 2B.3.1 to 2B.3.2.
- (b) Clause 2F.5.3(a) does not apply in respect of the NBN Offers for Fixed Wireless Home Fast or Fixed Wireless Superfast to the extent that the Fixed Wireless Home Fast or Fixed Wireless Superfast AVC bandwidth profiles have been introduced for 24 months or less.
- ~~(c)~~ (c) For clarity, nothing in clauses 2B.3.3(e) or 2F.5.3(a) affects the operation of any Resetting Regulatory Determination that might be made by the ACCC in respect of NBN Offers in respect of NBN Co Smart Places.

## **2F.6 ACCC power for non-compliance with price controls**

If the ACCC considers that NBN Co has failed to comply with any of its obligations under clauses 2B.2.3(b)(i) to 2B.2.3(b)(iii) in respect of Prices in a published Tariff List for the upcoming or then-current Financial Year:

- (a) the ACCC may issue a notice to NBN Co requiring NBN Co to demonstrate its compliance with clauses 2B.2.3(b)(i) to 2B.2.3(b)(iii);
- (b) NBN Co must, within 20 Business Days of receiving a notice from the ACCC under clause 2F.6(a), provide the ACCC with a response which:



## Schedule 2F (Compliance and other price control matters)

- (i) demonstrates how NBN Co considers it has complied with its obligations through the existing Prices in the published Tariff List; and/or
- (ii) sets out:
  - (A) updated Prices that NBN Co proposes to set out in the Tariff List which are Prices that, had they been set out in:
    - (I) the most recent Tariff List published by NBN Co under clause 2B.2.3 for which NBN Co was required to apply or re-apply the WAPC formula in clause 2D.2.2, would have complied with the WAPC formula in clause 2D.2.2 as it was required to be applied for that purpose; and
    - (II) the Tariff List published by NBN Co under clause 2B.2.3(a) for the relevant Financial Year, would have complied with the Individual Price Controls and the TC-4 Price Relativity Restriction as they applied for that purpose (except in respect of any Prices or CVC inclusions that have been updated by NBN Co by publishing an updated Tariff List in accordance with clauses 2B.2.3(d) or 2B.2.3(e));
  - (B) a statement certifying that the updated Prices comply with clause 2F.6(b)(ii)(A); and
  - (C) such other information that NBN Co considers is reasonably necessary for the ACCC to assess NBN Co's compliance with the matters in clause 2F.6(b)(ii)(B);
- (c) the ACCC may, following receipt of NBN Co's response under clause 2F.6(b), make a determination, acting reasonably, as to whether NBN Co has complied with clauses 2B.2.3(b)(i) to 2B.2.3(b)(iii) and publish reasons for its determination; and
- (d) if the ACCC:
  - (i) determines, in accordance with clause 2F.6(c), that NBN Co has complied with clauses 2B.2.3(b)(i) to 2B.2.3(b)(iii) or does not make any determination under clause 2F.6(c), NBN Co does not need to update the Tariff List under clause 2B.2.3(d)(v); and
  - (ii) determines, in accordance with clause 2F.6(c), that NBN Co has not complied with clauses 2B.2.3(b)(i), 2B.2.3(b)(ii) or 2B.2.3(b)(iii), NBN Co must update the Tariff List under clause 2B.2.3(d)(v) so as to set out Prices and CVC inclusions that, had they been set out in:
    - (A) the most recent Tariff List published by NBN Co under clause 2B.2.3 for which NBN Co was required to apply or re-apply the WAPC formula in clause 2D.2.2, would have complied with the WAPC formula in clause 2D.2.2 as it was required to be applied for that purpose; and
    - (B) the Tariff List published by NBN Co under clause 2B.2.3(a) for the relevant Financial Year, would have complied with the Individual Price Controls and the TC-4 Price Relativity Restriction as they applied for that purpose (except in respect of any Prices or CVC inclusions that have been updated by NBN Co by publishing an updated Tariff List in accordance with clauses 2B.2.3(d) or 2B.2.3(e)).

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## **2F.7 Expenditure and Price reporting**

### **2F.7.1 Expenditure and Price reporting**

- (a) By 31 October after the end of each Financial Year commencing in the Subsequent Regulatory Period, NBN Co must provide to the ACCC a report in respect of the following matters:

Schedule 2F (Compliance and other price control matters)

- (i) NBN Co's Capital Expenditure and Operating Expenditure incurred in that Financial Year, including as it compares to the information in the relevant ACCC Replacement Module Determination; and
- (ii) whether the Price charged by NBN Co for any NBN Offer or Other Charge supplied or applied by NBN Co during that Financial Year and relating to Core Regulated Services exceeded, at any time during the Financial Year, the Price in the Tariff List for that NBN Offer or Other Charge at the relevant point in time.
- (b) The obligations of NBN Co under this clause 2F.7 survive the expiry of the Subsequent Regulatory Period.

**Note:** provisions regarding ACCC requests for information from NBN Co are set out in clause 6.3.

## ~~Schedule 2C~~ Schedule 2G ABBRR and WAPC Revenue Requirement ~~Long Term Revenue Constraint Methodology and Regulatory Asset Base~~

### ~~2C.1~~ 2G.1 Introduction

#### ~~2C.1.1~~ 2G.1.1 Scope

This ~~Schedule 2C~~ Schedule 2G applies for the Subsequent Regulatory Period, ~~irrespective of whether a Replacement Module or an ACCC Replacement Module Determination is in effect.~~

#### ~~2C.1.2~~ 2G.1.2 General

~~This Schedule 2C:~~

~~(a)~~ Part A of this Schedule 2G:

- ~~(i)~~ sets out how the Forecast Nominal ABBRR and Forecast Nominal Core Services ABBRR will be calculated in the Subsequent Regulatory Period;
- ~~(ii)~~ sets out how the ICRA will be drawn down in the Subsequent Regulatory Period; and
- ~~(iii)~~ sets out how the WAPC Revenue Requirement will be calculated.

~~(a)~~ sets out principles for the application of the Long Term Revenue Constraint Methodology in the Subsequent Regulatory Period;

~~(b)~~ sets out how the ICRA will be calculated and maintained through the Subsequent Regulatory Period (if the Methodology Change Event did not occur in the Initial Regulatory Period);

~~(c)~~ provides that following the Methodology Change Event:

- ~~(i)~~ the Building Block Revenue Period will commence; and
- ~~(ii)~~ actual revenues over a multi-year period will be no greater than the total ABBRR attributable to the same period; and

~~(d)~~ (b) Part B of this Schedule 2G sets out how the Regulatory Asset Base (RAB) and the Core Services RAB Portion for the Relevant Assets will be calculated and updated rolled forward during the Subsequent Regulatory Period.

~~(c)~~ Part C of this Schedule 2G sets out provisions regarding the allocation of costs and the categorisation of products and services during the Subsequent Regulatory Period.

~~(d)~~ Part D of this Schedule 2G sets out how forecast tax allowances will be calculated in the Subsequent Regulatory Period.

#### ~~2C.1.3~~ 2G.1.3 Designation of Financial Years

The First Financial Year will be designated as year  $t = 1$  in all calculations under this ~~Schedule 2C~~ Schedule 2G. The Financial Year immediately prior to the First Financial Year will be designated as year  $t = 0$ , with negative numbers being used for any Financial Year prior to that Financial Year (e.g. the Financial Year 2 years prior to the First Financial Year will be year  $t = -1$ ). The Financial Year immediately after the First Financial Year will be year  $t = 2$ , and so on. The first Financial Year in the Subsequent Regulatory Period will be year  $t = 11$ .

**2G.1.4** **2G.1.4 Calculation of Cumulative Inflation Factor**

The  $CIF_t$  is the Cumulative Inflation Factor for each Financial Year ( $t$ ), which is:

(a) for Financial Years prior to the first Financial Year of an upcoming Regulatory Cycle, the cumulative product of the June Quarter CPI published for each Financial Year from the SAU Commencement Date, relative to the First Financial Year, calculated as follows; ~~that is:~~

(i) for Financial Years  $t \geq 1$ , defined as:

$$CIF_t = \left\{ \prod_{k=1}^t (1 + CPI_k^{June}) \right\} / (1 + CPI_1^{June})$$

where:

$CPI_k^{June}$  is defined as:

(A) to the extent known at the relevant time, the June Quarter CPI for Financial Year ( $k$ ). ~~Thus, if the~~ The First Financial Year is 2013/14,  $k=1$  for that year, and the relevant CPI value is that published for the June quarter of Financial Year 2013/14. For clarity, the Cumulative Inflation Factor for the First Financial Year is 1.0, and thus the nominal values in that year will be the same as the real values for that year; and

(B) to the extent that the June Quarter CPI for Financial Year ( $k$ ) is not known at the relevant time, the most recent Reserve Bank of Australia Statement of Monetary Policy forecast of CPI inflation over that Financial Year ( $k$ ); and

(ii) for Financial Years  $t \leq 0$ , defined as:

$$CIF_t = 1 / \left\{ \prod_{k=t+1}^1 (1 + CPI_k^{June}) \right\}$$

where:

$t$  is less than or equal to 0. The First Financial Year is 2013/14, where  $t = 1$ .

$CPI_k^{June}$  means the June Quarter CPI for Financial Year ( $k$ ); and

(b) ~~For~~ for Financial Years  $t \geq y$  ~~prior to the First Financial Year~~, the  $CIF_t$  is defined as:

~~$$CIF_t = (1 + CPI_1^{June}) / \left\{ \prod_{k=t}^1 (1 + CPI_k^{June}) \right\}$$~~

$$CIF_t = CIF_{y-1} (1 + \pi)^{t+1-y}$$

where:

$y$  is the first Financial Year of an upcoming Regulatory Cycle, expressed consistently with the designation of Financial Years in clause 2G.1.4, where the First Financial Year ( $t=1$ ) is Financial Year 2013/14.

$\pi$  is the estimated average June-to-June annual rate of inflation expectations over that upcoming Regulatory Cycle.

## Schedule 2G (ABBRR and WAPC Revenue Requirement)

For example, if the first Financial Year of an upcoming Regulatory Cycle is Financial Year 2023/24, then  $y=11$ , and if  $\pi = 2.5\%$  (based on a three-year Regulatory Cycle and forecasts of CPI inflation over Financial Years 2023/2024 to 2025/2026) then the CIF in Financial Year 2024/25 (i.e.,  $t=12$ ) will be:

$$CIF_{12} = CIF_{10}(1 + 2.5\%)^2$$

~~$t$  is less than or equal to 0. For example, if the First Financial Year is 2011/12, then the 2010/11 Financial Year is year  $t = 0$ , and Financial Year 2009/10 would be year  $t = -1$ .~~

~~$CPI_k^{June}$  means the June Quarter CPI for Financial Year ( $k$ ). The estimated average annual rate of inflation expectations over an upcoming Regulatory Cycle is to be calculated as:~~

$$\pi = \left( \prod_{s=1}^L (1 + i_s) \right)^{\frac{1}{L}} - 1$$

where:

$i_1$  is the most recent Reserve Bank of Australia Statement of Monetary Policy forecast of CPI inflation over  $y$ .

$i_2$  is the most recent Reserve Bank of Australia Statement of Monetary Policy forecast of CPI inflation over  $y + 1$ .

If there is no Reserve Bank of Australia Statement of Monetary Policy forecast of CPI inflation for any given period for the purposes of calculating  $i_1$  or  $i_2$ , a different forecast of CPI inflation may be used for that period.

all  $i_s$  where  $2 < s < 5$  are to be linearly interpolated between  $i_2$  and  $i_5$  as follows:

$$i_3 = i_2 + (i_5 - i_2) \times \frac{1}{3}$$

$$i_4 = i_2 + (i_5 - i_2) \times \frac{2}{3}$$

$i_5$  is equal to: 2.75% if  $i_2 \geq 3.0\%$ ; 2.5% if  $2.0\% < i_2 < 3.0\%$ ; and 2.25% if  $i_2 \leq 2.0\%$ .

all  $i_s$  where  $s > 5$  are equal to 2.5%.

$L$  is the expected length (measured in Financial Years) of that upcoming Regulatory Cycle.

For example, for a three-year Regulatory Cycle over Financial Years 2023/2024 to 2025/2026:

$$\pi = \left( (1 + i_{2024})(1 + i_{2025})(1 + i_{2026}) \right)^{\frac{1}{3}} - 1$$

where:  $i_{2024} = 2\%$ ,  $i_{2025} = 3\%$ ,  $i_{2026} = 2.5\%$

then:

$$\pi = \left( (1 + 2\%)(1 + 3\%)(1 + 2.5\%) \right)^{\frac{1}{3}} - 1 = 2.499\%$$

**2G.1.5 Calculation of Real Values**

During the Subsequent Regulatory Period, when reference is made to real values, this refers to the cost or revenue of the relevant parameter in constant dollar terms of the First Financial Year. Except where a specific means of conversion is set out for a particular value, this will be calculated as follows:

$$Real\ Value_t = \frac{(Nominal\ Value_t)}{CIF_t}$$

where  $t=1$  corresponds to the First Financial Year.

Likewise, in converting real values into nominal values, except where a specific means of conversion is set out for a particular value, the corresponding calculation is:

$$Nominal\ Value_t = Real\ Value_t * CIF_t$$

where  $t=1$  corresponds to the First Financial Year.

**PART A – ABBRR and WAPC Revenue Requirement****2G.2 Annual Building Block Revenue Requirement****2G.2.1 Forecast ABBRR Requirements**

- (a) For a given Financial Year ( $t$ ) within a Regulatory Cycle, the Forecast Nominal ABBRR must specify and include, at the minimum, the following elements:
- (i) forecast Operating Expenditure for Financial Year ( $t$ ), which is to include any Operating Expenditure to be incurred pursuant to the Telstra Arrangements or the Optus Arrangements;
  - (ii) forecast nominal regulatory depreciation for Financial Year ( $t$ );
  - (iii) a return on capital for Financial Year ( $t$ ), calculated by reference to a rate of return and the forecast nominal RAB at the start of Financial Year ( $t$ ); and
  - (iv) a forecast tax allowance for Financial Year ( $t$ ).

**2G.2.2 Forecast Nominal Core Services ABBRR Requirements**

- (a) For a given Financial Year ( $t$ ) within a Regulatory Cycle, the Forecast Nominal Core Services ABBRR must specify and include, at the minimum, the following elements:
- (i) forecast Operating Expenditure for Financial Year ( $t$ ) allocated to Core Regulated Services in accordance with the Cost Allocation Principles, which is to include any Operating Expenditure allocated to Core Regulated Services which is to be incurred pursuant to the Telstra Arrangements or the Optus Arrangements;
  - (ii) forecast nominal regulatory depreciation in respect of the forecast Nominal Core Services RAB Portion for Financial Year ( $t$ );
  - (iii) a return on capital for Financial Year ( $t$ ), calculated by reference to a rate of return and the forecast Nominal Core Services RAB Portion at the start of Financial Year ( $t$ ); and
  - (iv) a forecast tax allowance in respect of Core Regulated Services for Financial Year ( $t$ ).

### 2G.2.3 Annual Construction in Progress Allowance

(a) An Annual Construction in Progress Allowance (ACIPA) will be included in the calculation of the Forecast Nominal ABBRR and Forecast Nominal Core Services ABBRR (as relevant) as an additional element, where the ACIPA:

- (i) will be calculated in accordance with clause 2G.2.3(b) or 2G.2.3(c) (as applicable); and
- (ii) will be forecast in accordance with clause 2G.2.5.

(b) The ACIPA for Financial Year (t) for the Forecast Nominal ABBRR is calculated as follows:

$$ACIPA_t = CIP_t^{start} \times R_t^{nominal}$$

where:

$CIP_t^{start}$  is the value of Capital Expenditure for which the Relevant Asset (to which the Capital Expenditure relates) is forecast to not yet be Placed in Service at the start of Financial Year (t); and

$R_t^{nominal}$  is the nominal rate of return for Financial Year (t), determined in accordance with clause 2G.2.4(d).

(c) The ACIPA for Financial Year (t) for the Forecast Nominal Core Services ABBRR is calculated as follows:

$$Core\ Services\ ACIPA_t = Core\ Services\ CIP_t^{start} \times R_t^{nominal}$$

Core Services  $CIP_t^{start}$  is the value of Capital Expenditure that is allocated to Core Regulated Services in accordance with the Cost Allocation Principles, for which the Relevant Asset (to which the Capital Expenditure relates) is forecast to not yet be Placed in Service at the start of Financial Year (t); and

$R_t^{nominal}$  is the nominal rate of return for Financial Year (t), determined in accordance with clause 2G.2.4(d).

### 2G.2.4 Calculation of Forecast Nominal ABBRR and Forecast Nominal Core Services ABBRR

(a) ~~For the purposes of clause 2G.2.1(a), f~~Forecast nominal regulatory depreciation for Financial Year (t) will be calculated as:

- (i) for the purposes of clause 2G.2.1(a)(ii), the ~~Real~~Forecast Real Depreciation for Financial Year (t), determined in accordance with clause ~~2G.5.6~~~~2G.7.7~~, adjusted to nominal terms consistent with clause ~~2G.1.5~~~~2G.1.5~~ less ~~CPI~~indexation for estimated inflation expectations, determined in accordance with clause 2G.1.4, of the opening value of the forecast ~~N~~Nominal RAB for Financial Year (t); and
- (ii) for the purposes of clause 2G.2.2(a)(ii), the Forecast Real Core Services Depreciation for Financial Year (t), determined in accordance with clause 2G.5.7, adjusted to nominal terms consistent with clause 2G.1.5 less indexation for estimated inflation expectations, determined in accordance with clause 2G.1.4, of the opening value of the forecast Nominal Core Services RAB Portion for Financial Year (t).

(b) For the purpose of calculating the Forecast Nominal ABBRR and Forecast Nominal Core Services ABBRR (as relevant), forecast Capital Expenditure will be recognised at the time the Relevant Asset (to which the Capital Expenditure relates) is forecast to be Placed in Service.

## Schedule 2G (ABBRR and WAPC Revenue Requirement)

(c) The Forecast Nominal ABBRR and the Forecast Nominal Core Services ABBRR may include elements other than those specified in clauses ~~2C.2.1(a)(i) to 2C.2.1(a)(iv)~~ 2G.2.1(a)(i) to 2G.2.1(a)(iv) and clauses ~~2G.2.2(a)(i) to 2G.2.2(a)(iv)~~ (respectively), provided that the same additional elements are applied for the purposes of determining the Forecast Nominal ABBRR and the Forecast Nominal Core Services ABBRR.

(d) For the purposes of clauses ~~2G.2.1(a)(iii)~~ ~~2C.2.1(a)(iii)~~ ~~2C.2.1(a)(iii)~~ and 2G.2.2(a)(iii), the rate of return will be determined by estimating a nominal vanilla WACC for Financial Year (t) which is:

(i) commensurate with the efficient financing costs of a benchmark efficient entity with a similar degree of risk as that which applies to NBN Co in providing the NBN Access Service, Ancillary Services and Facilities Access Service, having regard to:

(A) the objective of producing reliable estimates of the market cost of capital in a wide range of plausible market conditions;

(B) the objective of promoting stability in the rate of return over time; and

(C) ~~having regard to efficient financing practices and the risks involved in providing the NBN Access Service, Ancillary Services and the Facilities Access Service~~ calculated in accordance with the following formula:

$$R_t^{nominal} = Re \times (1 - G) + Rd_t \times G$$

where:

$R_t^{nominal}$  is the nominal rate of return for each Financial Year (t) of the Regulatory Cycle;

$Re$  is the expected return on equity for the Regulatory Cycle;

$Rd_t$  is the expected return on debt for each Financial Year (t) of the Regulatory Cycle; and

$G$  is the benchmark proportion of debt in total financing (i.e. the benchmark gearing ratio) for the Regulatory Cycle.

(e) For the purposes of:

(i) clause 2G.2.1(a)(iv), the forecast tax allowance will be calculated in accordance with clause 2G.7.2 (Forecast Tax Allowance); and

~~(i)~~ (ii) clause 2G.2.2(a)(iv), the forecast tax allowance in respect of Core Regulated Services will be calculated in accordance with clause 2G.7.3 (Forecast Core Services Tax Allowance).

~~(d)~~ (f) The Forecast Nominal ABBRR and the Forecast Nominal Core Services ABBRR must be respectively calculated in such a way as to satisfy the NPV=0 expectation ~~during~~ at the start of each the Regulatory Cycle, such that the difference between the expected net present value of the relevant ABBRR and the expected net present value of the relevant future cash flow inputs (e.g. relating to Operating Expenditure, Capital Expenditure, ~~and tax and Revenue~~) is equal to the net present value of and the difference between the initial and terminal values of relevant stock inputs (e.g. RAB and Core Services RAB Portion and ICRA) ~~during~~ at the start of each Regulatory Cycle ~~must be zero~~ when evaluated using the forecast nominal estimated vanilla WACC.

(g) The Forecast Real ABBRR and Forecast Real Core Services ABBRR for Financial Year (t) will be calculated as:



$$Real\ ABBRR_t^F = \frac{Nominal\ ABBRR_t^F}{CIF_t^F}$$

where:

$Real\ ABBRR_t^F$  is the Forecast Real ABBRR or the Forecast Real Core Services ABBRR (as the case may be) for Financial Year (t).

$Nominal\ ABBRR_t^F$  is the Forecast Nominal ABBRR or the Forecast Nominal Core Services ABBRR (as the case may be) for Financial Year (t).

$CIF_t^F$  is the ~~Forecast~~ CIF for Financial Year (t), estimated consistently with all other forecasts used in the Forecast Nominal ABBRR or the Forecast Nominal Core Services ABBRR (as the case may be) in accordance with clause 2G.1.4.

## **2G.2.5 Forecasts for Forecast Nominal ABBRR and Forecast Nominal Core Services ABBRR**

### **Basis of forecasts**

**(a)** All forecasts used in ~~this~~ clauses 2G.2.1 and 2G.2.2 must:

- (i)** -use consistent base assumptions with respect to demand, economic conditions, unit costs and asset management;
- (ii)** be based on the information and analysis reasonably available in the circumstances; and
- (iii)** to the extent they incorporate, use or assume actual or expected inflation rates, be adjusted in accordance with clause 2G.1.4 such that all such forecasts use a consistent base assumption of inflation.

**(b)** To the extent that forecasts of Operating Expenditure and Capital Expenditure used in clauses 2G.2.1 and 2G.2.2 are based on demand forecasts, those demand forecasts must:

- (i)** be based on an appropriate forecasting methodology;
- (ii)** be based on reasonable assumptions about the key drivers of demand;
- (iii)** be determined utilising the best available information, including historical data that can identify trends in demand; and
- (iv)** be determined taking into account current demand and economic conditions.

### **Forecasts and Expenditure Objectives**

**(c)** Forecasts of Operating Expenditure and Capital Expenditure used in clauses 2G.2.1 and 2G.2.2 must reasonably reflect the prudent and efficient expenditure that an operator in NBN Co's position would incur in achieving the following objectives:

- (i)** meeting the expected demand for products and services;
- (ii)** complying with all Regulatory Requirements;
- (iii)** implementing a project or program which is the subject of a Government Policy Project Notice; and
- (iv)** maintaining and improving the quality, reliability, safety, security and integrity of supply of any products and services, including by meeting the Benchmark Service Standards which are to apply in the relevant Regulatory Cycle.

(together, the **Expenditure Objectives**).

**Expenditure Factors**

- (d) In forecasting the prudent and efficient expenditure that an operator in NBN Co's position would incur in achieving the Expenditure Objectives for the purposes of clause 2G.2.5(c), regard must be had to the following factors:
- (i) actual and expected Relevant Expenditure in previous Regulatory Cycles, and historical trends in Relevant Expenditure;
  - (ii) expected end user willingness to pay for NBN Co's products and services, including as to connections, speed requirements, data volumes, quality and reliability;
  - (iii) the extent to which Relevant Expenditure includes expenditure to address the concerns of Access Seekers and Consumer Advocacy Groups as identified by NBN Co in the course of its engagement with such persons;
  - (iv) current and reasonably anticipated future market conditions, including the extent to which NBN Co must adjust product and service quality to meet competition;
  - (v) NBN Co's procurement and governance framework, and whether NBN Co's asset management and planning framework reflects generally accepted industry standards and practice;
  - (vi) NBN Co's ability to finance Relevant Expenditure;
  - (vii) the substitution possibilities between Operating Expenditure and Capital Expenditure; and
  - (viii) any other relevant matters,
- (together, the **Expenditure Factors**).

**2G.2.6 Adjustment for return on debt true-up**

For the purposes of clause 5.3(a)(i), the Forecast Nominal ABBRR and Forecast Nominal Core Services ABBRR in respect of each Regulatory Cycle of the Subsequent Regulatory Period, other than the First Regulatory Cycle, may be adjusted, in an NPV-neutral way, to account for any difference between:

- (a) the expected return on debt for each Financial Year of the immediately preceding Regulatory Cycle, as used to calculate the rate of return for each of those Financial Years (as stated in the ACCC Replacement Module Determination for that Regulatory Cycle); and
- (b) the outturn return on debt for each of those Financial Years of a benchmark efficient entity of the type referred to in clause 2G.2.4(d),

if the expected return on debt for each Financial Year of the immediately preceding Regulatory Cycle was determined using a trailing average approach.

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## ~~2C.3~~ — Forecast Revenue

### ~~2C.3.1~~ — Forecast Revenue during Initial Cost Recovery Period

- (a) — For a Financial Year within a Regulatory Cycle that is anticipated to be in the Initial Cost Recovery Period, the Annual Forecast Revenue for that Financial Year will be the expected value of the amount of such revenue that is expected to be earned in that Financial Year.
- (b) — For clarity, for a Financial Year during the Regulatory Cycle that is anticipated to be in the Initial Cost Recovery Period, the Annual Forecast Revenue for that Financial Year may be above or below the Forecast Nominal ABBRR.

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## ~~2C.4~~ — Adjustments to ABBRR

### ~~2C.4.1~~ — Adjustments arising from operation of a Price Review Arrangement or Regulatory Determinations

- (a) — The Forecast Nominal ABBRR, the Forecast Real ABBRR and, if relevant, the Annual Forecast Revenue and the Adjusted Forecast ABBRR, will be adjusted to the extent the ACCC considers necessary to account for any effects on those forecast amounts from the Financial Year in the Regulatory Cycle in which:
- (i) — a Price Review Arrangement comes into effect; or
  - (ii) — a Resetting Regulatory Determination comes into effect that sets the Maximum Regulated Price for a new NBN Offer, new Other Charge or new Price for a Zero Priced NBN Offer or Other Charge in that Financial Year,
- as the case may be, until the last Financial Year in that Regulatory Cycle.
- (b) — Any adjustments for the purposes of clause 2C.4.1(a) will be:
- (i) — in respect of a Price Review Arrangement, as specified, if at all, in that Price Review Arrangement; or
  - (ii) — in respect of a relevant Resetting Regulatory Determination, as specified, if at all, in that Resetting Regulatory Determination.

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## ~~2C.5~~2G.3 Initial Cost Recovery Account

### ~~2C.5.1~~ — Introduction

If the Methodology Change Event:

- (a) — occurred in the Initial Regulatory Period, then each Financial Year of the Subsequent Regulatory Period will be in the Building Block Revenue Period; or
- (b) — did not occur in the Initial Regulatory Period, then:
- (i) — the Subsequent Regulatory Period will start and continue in the Initial Cost Recovery Period until the Methodology Change Event occurs; and
  - (ii) — the ICRA that was established in the Initial Regulatory Period will be rolled forward into the Subsequent Regulatory Period in accordance with clause 2C.5.4 and will continue to be calculated in accordance with clause 2C.5.4 for the purposes of assessing whether and

~~when NBN Co has achieved full recovery of its ICRA and whether and when the Initial Cost Recovery Period ends.~~

### ~~2C.5.2 — Transition from Initial Cost Recovery Period to Building Block Revenue Period when the ICRA is extinguished~~

~~If the Methodology Change Event occurs during the Subsequent Regulatory Period:~~

- ~~(a) the Initial Cost Recovery Period will cease at the end of the Financial Year in which the Methodology Change Event occurs; and~~
- ~~(b) the Building Block Revenue Period will commence at the beginning of the Financial Year immediately following the Financial Year in which the Methodology Change Event occurs.~~

### ~~2C.5.3 — Unrecovered Cost~~

- ~~(a) If the Subsequent Regulatory Period starts within the Initial Cost Recovery Period, then the Unrecovered Cost for each Financial Year (t) of the Initial Cost Recovery Period is:~~

$$~~Unrecovered Cost_t = Real ABBRR_t^F * CIF_t - Annual Revenue_t~~$$

~~where:~~

~~**Annual Revenue<sub>t</sub>** is either:~~

- ~~(i) actual Revenue in Financial Year (t); or~~
- ~~(ii)  $\left(\frac{Annual Forecast Revenue_t}{CIF_t^F}\right) * CIF_t$ .~~

~~The same basis (actual or forecast Revenue) must be used in each Financial Year in a Regulatory Cycle.~~

~~**Real ABBRR<sub>t</sub><sup>F</sup>** is the Forecast Real ABBRR for the relevant Financial Year (t), calculated in accordance with clause 2C.2.1(f).~~

~~**Annual Forecast Revenue<sub>t</sub>** is the Annual Forecast Revenue for the relevant Financial Year (t).~~

- ~~(b) The Unrecovered Cost can be either a positive value (when Annual Revenue is less than the ABBRR) or a negative value (when Annual Revenue is more than the ABBRR).~~

### ~~2C.5.4~~**2G.3.1 Initial Cost Recovery Account**

- (a) The ICRA is \$9,880,113,821.90, measured in Financial Year 2013/14 dollar terms. This amount is equal to the Real Module 2 ICRA (as stated in clause 2G.3.1(b)) plus the Real Module 3 ICRA (as stated in clause 3B.3.5(b)).

*Note: There is no mechanism in this Special Access Undertaking which allows for the ICRA, the Real Module 2 ICRA or the Real Module 3 ICRA to be increased in the Subsequent Regulatory Period or in the Post-2032 Regulatory Period.*

- (b) Subject to clause 2G.3.1(e), the **Real Module 2 ICRA** is \$841,796,098.09, measured in Financial Year 2013/14 dollar terms.

- (c) Subject to clause 2G.3.1(e), the **Real Module 2 Core Services ICRA**, measured in Financial Year 2013/14 dollar terms, is:

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- (i) \$841,796,098.09; or
- (ii) if the value of the Real Module 2 Core Services ICRA, measured in Financial Year 2013/14 dollar terms, is determined pursuant to clause 2G.6.4(f) as the result of the re-categorisation of an existing product or service as a Core Regulated Service or Competitive Service, that updated value.
- (d) The nominal value, measured in Financial Year 2022/23 dollar terms, of:
- (i) the ICRA is \$12,500,000,000.00;
- (ii) the Real Module 2 ICRA is \$1,065,013,158.33;
- (iii) the Real Module 2 Core Services ICRA is \$1,065,013,158.33;
- (iv) the Real Module 3 ICRA is \$11,434,986,841.67.
- (e) On the last day of the Subsequent Regulatory Period, the Real Module 2 ICRA and the Real Module 2 Core Services ICRA will each be \$0.

*Note: The Real Module 2 ICRA and Real Module 2 Core Services ICRA are established and calculated under this Special Access Undertaking. The provisions of this Special Access Undertaking concerning NBN Co's opportunity to recover the Real Module 2 ICRA and Real Module 2 Core Services ICRA will have no operational effect after the last day of the Subsequent Regulatory Period. Nonetheless, for completeness, clause 2G.3.1(e) above has been included to confirm that the Real Module 2 ICRA and Real Module 2 Core Services ICRA established under this Special Access Undertaking will be extinguished at the end of the Subsequent Regulatory Period.*

- ~~(a) If the Subsequent Regulatory Period starts within the Initial Cost Recovery Period, then:~~
- ~~(i) the ICRA at the start of the Subsequent Regulatory Period is equal to the ICRA at the end of the Initial Regulatory Period, determined in accordance with clause 1E.5; and~~
- ~~(ii) the ICRA at the start of each Financial Year of the remainder of the Initial Cost Recovery Period will be equal to the ICRA at the end of the immediately preceding Financial Year, calculated by rolling forward the ICRA at the start of the immediately preceding Financial Year.~~
- ~~(b) For the purposes of clause 2C.5.4(a)(ii), the rolling forward of the ICRA from the start of Financial Year (t) to the start of Financial Year (t+1) is determined using the following methodology:~~

~~$$ICRA_{t+1}^{start} = ICRA_t^{end}$$

$$= ICRA_t^{start} * (1 + R_{real,t}^f)(1 + CPI_t^{June}) + Unrecovered Cost_t$$~~

~~where:~~

~~$ICRA_{t+1}^{start}$  is the ICRA at the start of the next Financial Year (t+1).~~

~~$ICRA_t^{end}$  is the ICRA at the end of the current Financial Year (t).~~

~~$ICRA_t^{start}$  is the ICRA at the start of the current Financial Year (t).~~

~~$R_{real,t}^f$  is the forecast real rate of return for the current Financial Year (t).~~

~~$CPI_t^{June}$  means the June Quarter CPI for Financial Year (t).~~

~~$Unrecovered Cost_t$  is the Unrecovered Cost for the current Financial Year (t).~~

**2C.5.5 — Likely Methodology Change Event Notice**

- (a) NBN Co will use reasonable endeavours to issue a Likely Methodology Change Event Notice to Access Seekers and the ACCC on or around 5 years prior to the date that NBN Co expects the Methodology Change Event will occur. This clause 2C.5.5(a) will not apply if NBN Co has previously issued a Likely Methodology Change Event Notice during the Initial Regulatory Period.
- (b) NBN Co will issue an updated Likely Methodology Change Event Notice to Access Seekers and the ACCC each year following any previous Likely Methodology Change Event Notice (whether issued during the Initial Regulatory Period or the Subsequent Regulatory Period) until the Methodology Change Event has occurred. This clause 2C.5.5(b) will not apply if the Methodology Change Event has already occurred.

**2C.5.6 — Pricing Intention Statement**

- (a) NBN Co will use reasonable endeavours to issue a Pricing Intention Statement to Access Seekers and the ACCC on or around 3 years prior to the date that NBN Co expects the Methodology Change Event will occur. This clause 2C.5.6(a) will not apply if NBN Co has previously issued a Pricing Intention Statement during the Initial Regulatory Period.
- (b) The Pricing Intention Statement will include the following:
- (i) the forecast average Price change, averaged across all NBN Offers and Other Charges, in the Financial Year immediately following the Financial Year in which NBN Co expects the Methodology Change Event to occur;
  - (ii) NBN Co's estimate of how the forecast average Price change referred to in clause 2C.5.6(b)(i) will impact on the individual Price of each NBN Offer and Other Charge;
  - (iii) any transitional arrangements that NBN Co intends to apply in relation to changes in individual Prices; and
  - (iv) a description, in qualitative terms, of how NBN Co has determined the estimated individual Prices and transitional arrangements.
- (c) NBN Co will issue an updated Pricing Intention Statement to Access Seekers and the ACCC each year following any previous Pricing Intention Statement (whether issued during the Initial Regulatory Period or the Subsequent Regulatory Period) until the Methodology Change Event has occurred. This clause 2C.5.6(c) will not apply if the Methodology Change Event has already occurred.
- (d) NBN Co will publish each Pricing Intention Statement on NBN Co's Website for access by Access Seekers.

**2C.5.7 — Carry Forward Revenue Adjustment**

- (a) At the end of the last Financial Year of the Initial Cost Recovery Period ( $t$ ), the balance of the Unrecovered Cost that has not been applied to the ICRA in accordance with clause 2C.5.4 will be the Carry Forward Revenue Adjustment. That is:

$$\begin{aligned} & \text{Carry Forward Revenue Adjustment}_t \\ &= \text{Unrecovered Cost}_t + \text{ICRA}_t^{\text{start}} * (1 + R_{\text{real},t}^F)(1 + \text{CPI}_t^{\text{June}}) \end{aligned}$$

where:

$\text{Unrecovered Cost}_t$  is the Unrecovered Cost for the current Financial Year ( $t$ ).

$ICRA_t^{start}$  is the ICRA at the start of the current Financial Year (t).

$R_{real,t}^F$  is the forecast real rate of return for the current Financial Year (t).

$CPI_t^{June}$  means the June Quarter CPI for Financial Year (t).

(b) For clarity, the Carry Forward Revenue Adjustment will have a negative or zero value.

## ~~2C.6 — Building Block Revenue Period~~

### ~~2C.6.1 — ABBRR Revenue constraint in Building Block Revenue Period~~

- (a) For those Financial Years in a Regulatory Cycle that are in the Building Block Revenue Period (including those remaining Financial Years of a Regulatory Cycle following the Methodology Change Event occurring in that Regulatory Cycle), subject to clauses 2B.2 and 2C.6.1(b), Revenue earned in those Financial Years may be up to the sum of the Forecast Real ABBRR for those same Financial Years as set out in the Replacement Module or ACCC Replacement Module Determination, adjusted in accordance with clauses 2C.6.1(c) to 2C.6.1(e) (**Adjusted Forecast ABBRR**).
- (b) For the purposes of clause 2C.6.1(a):
- (i) forecast Revenue is adjusted to nominal terms using actual CPI; and
  - (ii) forecast Revenue and actual Revenue earned are evaluated in present value terms using the forecast real rate of return on capital calculated for the purposes of clause 2C.2.1(a)(iii), adjusted to nominal terms using actual CPI.
- (c) The Revenue that may be earned will be adjusted from the amount that otherwise may be earned pursuant to clause 2C.6.1(a) by:
- (i) any change as a result of a change in tax determined in accordance with the provisions of the relevant Replacement Module or the relevant ACCC Replacement Module Determination addressing the matters referred to in clause 4.6(g);
  - (ii) if the Methodology Change Event occurred prior to the last Financial Year of the Initial Regulatory Period and the Regulatory Cycle being evaluated is the first Regulatory Cycle, the present value of Revenue Variation, evaluated consistently with clause 2C.6.1(b)(ii), calculated under clause 1E.6.2 for the last Financial Year of the Initial Regulatory Period;
  - (iii) if the Methodology Change Event occurred in the Financial Year immediately prior to first of those Financial Years being evaluated and:
    - (A) if that previous Financial Year was in the Initial Regulatory Period, the present value of the Carry Forward Revenue Adjustment, evaluated consistently with clause 2C.6.1(b)(ii), calculated under clause 1E.5.3; or
    - (B) if that previous Financial Year was in the Subsequent Regulatory Period, the present value of the Carry Forward Revenue Adjustment, evaluated consistently with clause 2C.6.1(b)(ii), calculated under clause 2C.5.7;
  - (iv) if, in the previous Regulatory Cycle, in those Financial Years that are in the Building Block Revenue Period (if any) the Revenue earned was less than the Adjusted Forecast ABBRR for those Financial Years (in this clause 2C.6.1, such difference being the **Under-recovered Amount**), an increase of the amount of the present value of the Under-recovered Amount, evaluated consistently with clause 2C.6.1(b)(ii); and

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~~(v) — if, in the previous Regulatory Cycle, in those Financial Years that are in the Building Block Revenue Period (if any) the Revenue earned was more than the Adjusted Forecast ABBRR for those Financial Years (in this clause 2C.6.1, such difference being the **Over-recovered Amount**), a decrease of the amount of the present value of the Over-recovered Amount, evaluated consistently with clause 2C.6.1(b)(ii)~~

~~(d) — An amount referred to in clauses 2C.6.1(c)(i) to 2C.6.1(c)(iv) may be estimated if the actual amount is not available.~~

~~(e) — The Revenue that may be earned must also be adjusted from the amount that may be earned pursuant to clause 2C.6.1(a) by removing the effect of any difference between any estimated amounts that were used in determining the Adjusted Forecast ABBRR applicable to the immediately preceding Regulatory Cycle and the corresponding actual amounts.~~

### ~~2C.6.2 — Forecast Revenue not to exceed Adjusted Forecast ABBRR~~

~~Subject to the requirements of Schedule 2B, for each Financial Year within the Building Block Revenue Period, NBN Offers and Other Charges will be priced so that the forecast sum of the Revenue in all of the Financial Years in a Regulatory Cycle that are in the Building Block Revenue Period do not exceed the Adjusted Forecast ABBRR for those Financial Years, evaluated consistently with clause 2C.6.1.~~

### ~~2C.6.3 — Last Regulatory Cycle of SAU Term~~

~~If the last Regulatory Cycle of the SAU Term is in the Building Block Revenue Period, Revenue earned or retained may be no more than the amount of Revenue calculated under clause 2C.6.1 (together with any adjustments under clauses 2C.6.1(c) to 2C.6.1(e)) in that Regulatory Cycle.~~

## 2G.4 WAPC Revenue Requirement

### 2G.4.1 Annual WAPC Revenue Requirement

The Annual WAPC Revenue Requirement for each Financial Year ( $t$ ) in the Regulatory Cycle will be calculated in accordance with the following formula:

$$\begin{aligned}
 \text{Annual WAPC Revenue Requirement}_t &= \text{Forecast Nominal Core Services ABBRR}_t \\
 &\quad - \text{Annual Non-WAPC Core Services Forecast Revenue}_t \\
 &\quad - \text{Forecast Annual RBS Amount}_t \\
 &\quad + \text{Nominal Annual Drawdown of ICRA}_t
 \end{aligned}$$

where:

(a) Forecast Nominal Core Services ABBRR has the meaning given to that term in Attachment C (Dictionary);

(b) Annual Non-WAPC Core Services Forecast Revenue has the meaning given to that term in Attachment C (Dictionary);

(c) Forecast Annual RBS Amount has the meaning given to that term in Attachment C (Dictionary); and

(d) Nominal Annual Drawdown of ICRA is determined in accordance with clause 2G.4.2.

### 2G.4.2 Nominal Annual Drawdown of ICRA

The Nominal Annual Drawdown of ICRA will be:



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- (a) for each Financial Year prior to the WAPC Factor Change Year, zero; and
- (b) for each Financial Year ( $t$ ) that is, or occurs after, the WAPC Factor Change Year, an amount calculated in accordance with the formula below:

$$\begin{aligned} \text{Nominal Annual Drawdown of ICRA}_t & \\ &= \text{Annual Module 2 ICRA Drawdown Percentage}_t \\ &\times \text{Real Module 2 Core Services ICRA} \times \text{CIF}_t \end{aligned}$$

where:

- (i) the Annual Module 2 ICRA Drawdown Percentage is a percentage which:
- (A) subject to clause 2G.4.2(b)(i)(B), when applied in the formula above, will set a Nominal Annual Drawdown of ICRA for that Financial Year which will allow NBN Co a reasonable opportunity to achieve and maintain, for the duration of that Financial Year and the remaining Financial Years in the Subsequent Regulatory Period, a stand-alone investment grade credit rating with a stable outlook from one or more of the following established and reputable rating agencies:
- (I) Moody's;
- (II) Fitch Ratings; and
- (III) Standard and Poor's; and
- (B) cannot be more than the following: 100% minus the sum of the Annual Module 2 ICRA Drawdown Percentages for the preceding Financial Years:
- Note: Clause 5.8(b) provides that in making an ACCC Regulatory Module Determination, the ACCC must take into account the matters set out in section 152BCA(1) of the CCA and may take into account any other matters it thinks are relevant.*
- (ii) Real Module 2 Core Services ICRA is measured in Financial Year 2013/14 dollars and is determined in accordance with clause 2G.3.1(c); and
- (iii) CIF<sub>t</sub> is to be calculated in accordance with clause 2G.1.4.

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## **PART B – REGULATORY ASSET BASE**

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### **2C.7.2G.5 Calculation of the Regulatory Asset Base**

#### **2C.7.1 — RAB Roll Forward Arrangements**

~~In this clause 2C.7, RAB Roll Forward Arrangements means, in relation to a Regulatory Cycle, the terms of the Replacement Module or the ACCC Replacement Module Determination for the Regulatory Cycle that pertain to the matters referred to in clause 4.7.~~

#### **2C.7.2G.5.1 Real RAB at the commencement of the Subsequent Regulatory Period**

The Real RAB at the commencement of the Subsequent Regulatory Period will be equal to the Real RAB at the end of the Initial Regulatory Period, determined in accordance with clause 1D.2.

### 2G.5.2 Real Core Services RAB Portion at the commencement of the Subsequent Regulatory Period

- (a) The Real Core Services RAB Portion at the commencement of the Subsequent Regulatory Period will be equal to the Real Core Services RAB Portion at the end of the Initial Regulatory Period, calculated by rolling forward the Real Core Services RAB Portion as at 1 July 2021 referred to in clause 2G.5.2(b) for the Financial Years 2021/22 and 2022/23, using the following methodology:

$$\begin{aligned} \text{Real Core Services RAB Portion}_y^{\text{start}} &= \text{Real Core Services RAB Portion}_{y-1}^{\text{end}} \\ &= \text{Real Core Services RAB Portion}_{y-1}^{\text{start}} + \text{Real Core Services Capex}_{y-1} \\ &\quad - \text{Real Core Services Disposals}_{y-1} - \text{Real Core Services Depreciation}_{y-1} \end{aligned}$$

where:

y is the Financial Year for which the Real Core Services RAB Portion is being calculated (where y starts with the Financial Year 2022/23 and finishes with the Financial Year 2023/24).

Real Core Services RAB Portion<sub>y</sub><sup>start</sup> is the Real Core Services RAB Portion at the start of the Financial Year (y).

Real Core Services RAB Portion<sub>y-1</sub><sup>end</sup> is the Real Core Services RAB Portion at the end of the immediately preceding Financial Year (y-1).

Real Core Services Capex<sub>y-1</sub> is the real Capital Expenditure incurred in Financial Year (y-1) allocated to the Core Services RAB Portion, calculated by:

- (i) taking the real Capital Expenditure added to the Real RAB in respect of Financial Year (y-1), as determined in the LTRCM Determination issued by the ACCC in respect of Financial Year (y-1) in accordance with clause 1E.1.2; and
- (ii) allocating costs in accordance with the Cost Allocation Principles.

Real Core Services Disposals<sub>y-1</sub> is the real value of any Disposals of Relevant Assets included in the Core Services RAB Portion during Financial Year (y-1).

Real Core Services Depreciation<sub>y-1</sub> is the real value of the depreciation applicable to the opening value of the Relevant Assets included in the Core Services RAB Portion at the start of Financial Year (y-1), calculated in accordance with the approach to determining the regulatory depreciation allowance of the RAB on the same basis as set out in clause 1E.8.

- ~~(a)~~(b) For the purposes of clause 2G.5.2(a), the Real Core Services RAB Portion as at 1 July 2021 is equal to the value of the Real Core Services RAB Portion as at 30 June 2021, which is equal to \$25,460,959,000.51, as calculated by NBN Co by applying a cost allocation methodology to the value of the Real RAB as at 30 June 2021 as specified in the LTRCM Determination for Financial Year 2020/21 issued by the ACCC in accordance with clause 1E.1.2.

### ~~2G.7.3~~ 2G.5.3 Real RAB in respect of a Regulatory Cycle

- (a) The Real RAB at the commencement of a Regulatory Cycle, other than the first Regulatory Cycle, will be equal to the Real RAB at the end of the immediately preceding Regulatory Cycle, calculated by rolling forward the Real RAB at the commencement of that immediately preceding Regulatory Cycle for each Financial Year (t) within the Regulatory Cycle using the following methodology:

$$\begin{aligned} \text{Real RAB}_t^{\text{start}} &= \text{Real RAB}_{t-1}^{\text{end}} \\ &= \text{Real RAB}_{t-1}^{\text{start}} + \text{Real Capex}_{t-1} - \text{Real Disposals}_{t-1} - \text{Real Depreciation}_{t-1} \end{aligned}$$

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where:

$t$  is the Financial Year for which the Real RAB is being calculated.

$Real\ RAB_t^{start}$  is the Real RAB at the start of the Financial Year ( $t$ ).

$Real\ RAB_{t-1}^{end}$  is the Real RAB at the end of the immediately preceding Financial Year ( $t-1$ ).

$Real\ Capex_{t-1}$  is the real Capital Expenditure during the immediately preceding Financial Year ( $t-1$ ).

$Real\ Disposals_{t-1}$  is the real value of any Disposals of Relevant Assets during the immediately preceding Financial Year ( $t-1$ ).

$Real\ Depreciation_{t-1}$  is the real value of the depreciation applicable to the opening value of the Relevant Assets included in the RAB at the start of the immediately preceding Financial Year ( $t-1$ ).

- (b) For the purposes of clause ~~2G.5.3(a)~~~~2C.7.3(a)~~, the real value of Capital Expenditure, Disposals and depreciation for each Financial Year in a particular Regulatory Cycle will be determined in accordance with clause 2G.5.10 ~~and the real value of depreciation for each Financial Year in a particular Regulatory Cycle will be determined in accordance with the RAB Roll Forward Arrangements applicable to that Regulatory Cycle.~~

#### 2G.5.4 Real Core Services RAB Portion in respect of a Regulatory Cycle

- (a) The Real Core Services RAB Portion at the commencement of a Regulatory Cycle, other than the First Regulatory Cycle, will be equal to the Real Core Services RAB Portion at the end of the immediately preceding Regulatory Cycle, calculated by rolling forward the Real Core Services RAB Portion at the commencement of that immediately preceding Regulatory Cycle for each Financial Year ( $t$ ) within the Regulatory Cycle using the following methodology:

$$\begin{aligned} Real\ Core\ Services\ RAB\ Portion_t^{start} &= Real\ Core\ Services\ RAB\ Portion_{t-1}^{end} \\ &= Real\ Core\ Services\ RAB\ Portion_{t-1}^{start} + Real\ Core\ Services\ Capex_{t-1} \\ &\quad - Real\ Core\ Services\ Disposals_{t-1} - Real\ Core\ Services\ Depreciation_{t-1} \end{aligned}$$

where:

$t$  is the Financial Year for which the Real Core Services RAB Portion is being calculated.

$Real\ Core\ Services\ RAB\ Portion_t^{start}$  is the Real Core Services RAB Portion at the start of the Financial Year ( $t$ ).

$Real\ Core\ Services\ RAB\ Portion_{t-1}^{end}$  is the Real Core Services RAB Portion at the end of the immediately preceding Financial Year ( $t-1$ ).

$Real\ Core\ Services\ Capex_{t-1}$  is the real Capital Expenditure allocated to the Core Services RAB Portion in accordance with the Cost Allocation Principles during the immediately preceding Financial Year ( $t-1$ ).

$Real\ Core\ Services\ Disposals_{t-1}$  is the real value of any Disposals of Relevant Assets included in the Core Services RAB Portion during the immediately preceding Financial Year ( $t-1$ ).

$Real\ Core\ Services\ Depreciation_{t-1}$  is the real value of the depreciation applicable to the opening value of the Relevant Assets included in the Core Services RAB Portion at the start of the immediately preceding Financial Year ( $t-1$ ).

(b) For the purposes of clause 2G.5.4(a), the real value of Capital Expenditure allocated to the Real Core Services RAB Portion, Disposals of Relevant Assets included in the Core Services RAB Portion and the depreciation applicable to the Relevant Assets included in the Core Services RAB Portion for each Financial Year in a particular Regulatory Cycle will be determined in accordance with clause 2G.5.10.

#### **2C.7.4 — Treatment of Capital Expenditure in RAB roll forward**

~~In respect of each Regulatory Cycle, for the purposes of determining the Real RAB at the end of each Financial Year within the Regulatory Cycle under clause 2C.7.3, the method for determining the amount of Capital Expenditure to be included in the Real RAB at the end of each Financial Year within the Regulatory Cycle will be:~~

~~(a) — in accordance with the following rules:~~

~~(i) — where the sum of the actual Capital Expenditure incurred in connection with the design, engineering, construction, replacement and augmentation of the Relevant Assets in each Financial Year within the Regulatory Cycle (in this clause 2C.7.4, Total Actual Capital Expenditure) is less than or equal to the sum of the forecast Capital Expenditure used to set the Forecast Nominal ABBRR for each Financial Year within the Regulatory Cycle under clause 2C.7.7 (after accounting for the difference between forecast and actual CPI) (in this clause 2C.7.4, Total Forecast Capital Expenditure), all of the Capital Expenditure incurred in each Financial Year within the Regulatory Cycle is to be included in the Real RAB at the end of that Financial Year; and~~

~~(ii) — where the Total Actual Capital Expenditure for the Regulatory Cycle exceeds the Total Forecast Capital Expenditure for the Regulatory Cycle, for each Financial Year within the Regulatory Cycle, an amount of Capital Expenditure determined by the ACCC pursuant to any power conferred on the ACCC under the RAB Roll Forward Arrangements applicable to that Regulatory Cycle is to be included in the Real RAB at the end of that Financial Year, subject to the condition that the sum of the Capital Expenditure included in the Real RAB at the end of each Financial Year within the Regulatory Cycle is no less than the Total Forecast Capital Expenditure for the Regulatory Cycle and is no more than the Total Actual Capital Expenditure for the Regulatory Cycle; or~~

~~(b) — in accordance with another method for the treatment of capital expenditure for establishing regulatory asset base values that promotes the long-term interests of end-users of Carriage Services or of services provided by means of Carriage Services and that is consistent with NBN Co achieving a reasonable likelihood of long term recovery of prudently and efficiently incurred costs.~~

#### **2C.7.5 2G.5.5 Depreciation for RAB roll forward**

~~(a) In respect of each Regulatory Cycle, f~~For the purposes of determining the Real RAB and Real Core Services RAB Portion at the end of each Financial Year within the a Regulatory Cycle under clauses ~~2G.5.3~~2C.7.3 and 2G.5.4, the method for determining the regulatory depreciation applicable to the opening value of the Relevant Assets included in the Real RAB and Real Core Services RAB Portion at the start of that Financial Year will be based on real straight line depreciation and the real value of Capital Expenditure rolled into the Real RAB and Real Core Services RAB Portion (as relevant), using:

~~(i) for the real straight line depreciation and either: the value of Relevant Assets in each Asset Class that formed part of the Real RAB and Real Core Services RAB Portion (as relevant) at the commencement of that Regulatory Cycle, the Weighted Average Remaining Lifetime for that Asset Class as at the commencement of that Regulatory Cycle~~the Capital Expenditure rolled into the RAB; or and

~~(ii) the value of the Forecast Capital Expenditure as used to set the Forecast Nominal ABBRR; or~~

(ii) for the real Capital Expenditure value (of each Asset Class) rolled into the Real RAB and Real Core Services RAB Portion (as relevant) in each previous Financial Year of that Regulatory Cycle, the Standard Asset Lifetime for the relevant Asset Class, as at the commencement of that Regulatory Cycle.~~another method for the accounting of depreciation in establishing regulatory asset base values that promotes the long-term interests of end-users of Carriage Services or of services provided by means of Carriage Services and that is consistent with NBN Co achieving a reasonable likelihood of long term recovery of prudently and efficiently incurred costs.~~

### ~~2C.7.6 Role of ACCC in RAB roll forward~~

~~The ACCC may perform such functions or exercise such powers in the determination of the value of the RAB at the start of a Regulatory Cycle as are conferred on it by the RAB Roll Forward Arrangements applicable to the immediately preceding Regulatory Cycle.~~

### ~~2C.7.7~~2G.5.6 Forecast Real RAB for calculating Forecast Nominal ABBRR

(a) For the purposes of calculating the Forecast Nominal ABBRR pursuant to clause 2G.2.1(a)~~2C.2.1(a)~~, the Real RAB at the start of each Financial Year will be:

(i) in respect of the first Financial Year of a Regulatory Cycle:

(A) if the Regulatory Cycle is the ~~f~~first Regulatory Cycle, determined in accordance with clause 2G.5.1~~2C.7.2~~, calculated on the basis that an amount of Capital Expenditure, Disposals or depreciation may be estimated for any part of the Initial Regulatory Period for which actual values are not available; or

(B) otherwise, the value of the Real RAB at the end of the last Financial Year in the immediately preceding Regulatory Cycle, determined in accordance with clause 2G.5.3(a)~~2C.7.3~~:

(I) calculated on the basis that an amount of Capital Expenditure, Disposals or depreciation may be estimated for any part of the immediately preceding Regulatory Cycle for which actual values are not available; and

(II) adjusted to remove the effect of any difference between the Real RAB at the start of the first Financial Year of the immediately preceding Regulatory Cycle that was determined using any estimated amounts under this clause 2G.5.6~~2C.7.7~~ and the Real RAB at the start of the first Financial Year of the immediately preceding Regulatory Cycle as determined using the corresponding actual amounts ~~under clause 2C.7.3~~; and

(ii) in respect of a Financial Year ( $t$ ) in a Regulatory Cycle other than the first Financial Year of the Regulatory Cycle, forecast according to the following methodology:

$$\begin{aligned} \text{Real Forecast Real RAB}_t^{\text{start}} &= \text{Real Forecast Real RAB}_{t-1}^{\text{end}} \\ &= \text{Real Forecast Real RAB}_{t-1}^{\text{start}} + \text{Real Forecast Real Capex}_{t-1} \\ &\quad - \text{Real Forecast Real Disposals}_{t-1} - \text{Real Forecast Real Depreciation}_{t-1} \end{aligned}$$

where:

$t$  is the Financial Year for which a forecast of the Real RAB at the start of the Financial Year is being calculated.

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~~Real-Forecast~~ *Real*  $RAB_t^{start}$  is the forecast Real RAB at the start of the Financial Year ( $t$ ).

~~Real-Forecast~~ *Real*  $RAB_{t-1}^{end}$  is the forecast of the Real RAB at the end of the immediately ~~prior~~ preceding Financial Year ( $t-1$ ).

~~Real-Forecast~~ *Real*  $RAB_{t-1}^{start}$  is the forecast of the Real RAB at the start of the immediately ~~prior~~ preceding Financial Year ( $t-1$ ).

~~Real-Forecast~~ *Real*  $Capex_{t-1}$  is the forecast of prudent and efficient real Capital Expenditure in connection with the design, engineering, construction, replacement and augmentation of the Relevant Assets for the relevant Financial Year ( $t-1$ ), including any Capital Expenditure to be incurred pursuant to the Telstra Arrangements or the Optus Arrangements, forecast in accordance with clause 2G.2.5.

~~Real-Forecast~~ *Real*  $Disposals_{t-1}$  is the forecast of the real value of any Disposals of Relevant Assets during the immediately ~~prior~~ preceding Financial Year ( $t-1$ ).

~~Real-Forecast~~ *Real*  $Depreciation_{t-1}$  is the forecast of the real value of the depreciation applicable to the opening real value of the Relevant Assets included in the forecast Real RAB in the immediately ~~prior~~ preceding Financial Year ( $t-1$ ).

### 2G.5.7 Forecast Real Core Services RAB Portion for calculating Forecast Nominal Core Services ABBRR

For the purposes of calculating the Forecast Nominal Core Services ABBRR pursuant to clause 2G.2.2(a), the Real Core Services RAB Portion at the start of each Financial Year will be:

- (a) in respect of the first Financial Year of a Regulatory Cycle:
- (i) if the Regulatory Cycle is the First Regulatory Cycle, determined in accordance with clause 2G.5.2(a), calculated on the basis that an amount of Capital Expenditure, Disposals or depreciation may be estimated for any part of the Initial Regulatory Period for which actual values are not available; or
  - (ii) otherwise, the value of the Real Core Services RAB Portion at the end of the last Financial Year in the immediately preceding Regulatory Cycle, determined in accordance with the methodology in clause 2G.5.4(a):
    - (A) calculated on the basis that an amount of Capital Expenditure, Disposals or depreciation may be estimated for any part of the immediately preceding Regulatory Cycle for which actual values are not available; and
    - (B) adjusted to remove the effect of any difference between the Real Core Services RAB Portion at the start of the first Financial Year of the immediately preceding Regulatory Cycle that was determined using any estimated amounts under this clause 2G.5.7 and the Real Core Services RAB Portion at the start of the first Financial Year of the immediately preceding Regulatory Cycle as determined using the corresponding actual amounts; and
- (b) in respect of a Financial Year ( $t$ ) in a Regulatory Cycle other than the first Financial Year of the Regulatory Cycle, forecast according to the following methodology:

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$$\begin{aligned}
 \text{Forecast Real Core Services RAB Portion}_t^{\text{start}} &= \text{Forecast Real Core Services RAB Portion}_{t-1}^{\text{end}} \\
 &= \text{Forecast Real Core Services RAB Portion}_{t-1}^{\text{start}} \\
 &+ \text{Forecast Real Core Services Capex}_{t-1} \\
 &- \text{Forecast Real Core Services Disposals}_{t-1} \\
 &- \text{Forecast Real Core Services Depreciation}_{t-1}
 \end{aligned}$$

where:

$t$  is the Financial Year for which a forecast of the Real RAB at the start of the Financial Year is being calculated.

Forecast Real Core Services RAB Portion $_t^{\text{start}}$  is the forecast of the Real Core Services RAB Portion at the start of the Financial Year ( $t$ ).

Forecast Real Core Services RAB Portion $_{t-1}^{\text{end}}$  is the forecast of the Real Core Services RAB Portion at the end of the immediately preceding Financial Year ( $t-1$ ).

Forecast Real Core Services RAB Portion $_{t-1}^{\text{start}}$  is the forecast of the Real Core Services RAB Portion at the start of the immediately preceding Financial Year ( $t-1$ ).

Forecast Real Core Services Capex $_{t-1}$  is the forecast of prudent and efficient real Capital Expenditure in connection with the design, engineering, construction, replacement and augmentation of the Relevant Assets for the relevant Financial Year ( $t-1$ ), including any Capital Expenditure to be incurred pursuant to the Telstra Arrangements or the Optus Arrangements, allocated to the Core Services RAB Portion in accordance with the Cost Allocation Principles, forecast in accordance with clause 2G.2.5.

Forecast Real Core Services Disposals $_{t-1}$  is the forecast of the real value of any Disposals of Relevant Assets included in the Core Services RAB Portion during the immediately preceding Financial Year ( $t-1$ ).

Forecast Real Core Services Depreciation $_{t-1}$  is the forecast of the real value of the depreciation applicable to the opening real value of the Relevant Assets included in the forecast Real Core Services RAB Portion in the immediately preceding Financial Year ( $t-1$ ).

## **2C.7.82G.5.8 Calculation of Nominal RAB**

(a) The Nominal RAB will be:

$$\text{Nominal RAB}_t^{\text{end}} = \text{CIF}_t \times \text{Real RAB}_t^{\text{end}}$$

and:

$$\begin{aligned}
 \text{Nominal RAB}_t^{\text{start}} &= \text{Nominal RAB}_{t-1}^{\text{end}} \\
 &= \text{CIF}_{t-1} \times \text{Real RAB}_{t-1}^{\text{end}} \\
 &= \text{CIF}_{t-1} \times \text{Real RAB}_t^{\text{start}}
 \end{aligned}$$

where:

Nominal RAB $_t^{\text{start}}$  is the Nominal RAB at the start of the relevant Financial Year ( $t$ ).

Nominal RAB $_t^{\text{end}}$  is the Nominal RAB at the end of the relevant Financial Year ( $t$ ).

Real RAB $_t^{\text{start}}$  is the Real RAB at the start of the relevant Financial Year ( $t$ ).

Real RAB $_t^{\text{end}}$  is the Real RAB at the end of the relevant Financial Year ( $t$ ).

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(b) The ~~Nominal-F~~forecast Nominal RAB will be:

$$\del{Nominal-F}forecast \text{ Nominal } RAB_t^{end} = CIF_t \times \del{Real-F}forecast \text{ Real } RAB_t^{end}$$

and:

$$\begin{aligned} \del{Nominal-F}forecast \text{ Nominal } RAB_t^{start} &= \del{Nominal-F}forecast \text{ Nominal } RAB_{t-1}^{end} \\ &= CIF_{t-1} \times \del{Real-F}forecast \text{ Real } RAB_{t-1}^{end} \\ &= CIF_{t-1} \times \del{Real-F}forecast \text{ Real } RAB_t^{start} \end{aligned}$$

where:

~~Nominal-F~~forecast Nominal  $RAB_t^{start}$  is the ~~Nominal-F~~forecast Nominal RAB at the start of the relevant Financial Year (t).

~~Nominal-F~~forecast Nominal  $RAB_t^{end}$  is the ~~Nominal-F~~forecast Nominal RAB at the end of the relevant Financial Year (t).

~~Real-F~~forecast Real  $RAB_t^{start}$  is the ~~Real-F~~forecast Real RAB at the start of the relevant Financial Year (t).

~~Real-F~~forecast Real  $RAB_t^{end}$  is the ~~Real-F~~forecast Real RAB at the end of the relevant Financial Year (t).

### 2G.5.9 Calculation of Nominal Core Services RAB Portion

(a) The Nominal Core Services RAB Portion will be:

$$\text{Nominal Core Services RAB Portion}_t^{end} \equiv CIF_t \times \text{Real Core Services RAB Portion}_t^{end}$$

and:

$$\begin{aligned} \text{Nominal Core Services RAB Portion}_t^{start} &\equiv \text{Nominal Core Services RAB Portion}_{t-1}^{end} \\ &\equiv CIF_{t-1} \times \text{Real Core Services RAB Portion}_{t-1}^{end} \\ &\equiv CIF_{t-1} \times \text{Real Core Services RAB Portion}_t^{start} \end{aligned}$$

where:

$\text{Nominal Core Services RAB Portion}_t^{start}$  is the Nominal Core Services RAB Portion at the start of the relevant Financial Year (t).

$\text{Nominal Core Services RAB Portion}_t^{end}$  is the Nominal Core Services RAB Portion at the end of the relevant Financial Year (t).

$\text{Real Core Services RAB Portion}_t^{start}$  is the Real Core Services RAB Portion at the start of the relevant Financial Year (t).

$\text{Real Core Services RAB Portion}_t^{end}$  is the Real Core Services RAB Portion at the end of the relevant Financial Year (t).

(b) The forecast Nominal Core Services RAB Portion will be:

$$\begin{aligned} \text{forecast Nominal Core Services RAB Portion}_t^{end} \\ = CIF_t \times \text{forecast Real Core Services RAB Portion}_t^{end} \end{aligned}$$



and:

$$\begin{aligned}
 & \text{forecast Nominal Core Services RAB Portion}_t^{\text{start}} \\
 & = \text{forecast Nominal Core Services RAB Portion}_{t-1}^{\text{end}} \\
 & = CIF_{t-1} \times \text{forecast Real Core Services RAB Portion}_{t-1}^{\text{end}} \\
 & = CIF_{t-1} \times \text{forecast Real Core Services RAB Portion}_t^{\text{start}}
 \end{aligned}$$

where:

forecast Nominal Core Services RAB Portion}\_t^{\text{start}} is the forecast Nominal Core Services RAB Portion at the start of the relevant Financial Year (t).

forecast Nominal Core Services RAB Portion}\_{t-1}^{\text{end}} is the forecast Nominal Core Services RAB Portion at the end of the relevant Financial Year (t).

forecast Real Core Services RAB Portion}\_t^{\text{start}} is the forecast Real Core Services RAB Portion at the start of the relevant Financial Year (t).

forecast Real Core Services RAB Portion}\_{t-1}^{\text{end}} is the forecast Real Core Services RAB Portion at the end of the relevant Financial Year (t).

#### **2G.5.10 ACCC determination of values for the RAB roll forward**

(a) Any Replacement Module Application in respect of a Regulatory Cycle must propose, and any ACCC Replacement Module Determination in respect of a Regulatory Cycle must determine:

(i) the Real RAB and the Real Core Services RAB Portion at the end of each Financial Year within the immediately preceding Regulatory Cycle (in this clause 2G.5.10, the **Previous Regulatory Cycle**), calculated:

(A) in accordance with clauses 2G.5.3 and 2G.5.4; and

(B) in accordance with the values referred to in clause 2G.5.10(a)(ii)–(vi);

(ii) the Real RAB at the start of the first Financial Year of the Previous Regulatory Cycle, calculated in accordance with:

(A) clause 2G.5.1, in respect of the First Regulatory Cycle; and

(B) clause 2G.5.3, in respect of all Regulatory Cycles after the First Regulatory Cycle;

**Note:** This value would previously have been estimated as an input into the Forecast Nominal ABBRR applying for the relevant Regulatory Cycle.

(iii) the value of the Real Core Services RAB Portion at the start of the first Financial Year of the Previous Regulatory Cycle, calculated in accordance with:

(A) clause 2G.5.2, in respect of the First Regulatory Cycle; and

(B) clause 2G.5.4, in respect of all Regulatory Cycles after the First Regulatory Cycle;

**Note:** This value would previously have been estimated as an input into the Forecast Nominal Core Services ABBRR applying for the relevant Regulatory Cycle.

(iv) the amount of Capital Expenditure to be added to each of the Real RAB and the Real Core Services RAB Portion (respectively) for each Financial Year within the Previous Regulatory

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Cycle, determined in accordance with the rules and process described in clause 2G.5.10(b), where Capital Expenditure will be allocated to the Core Services RAB Portion in accordance with the Cost Allocation Principles;

- (v) the real value of the depreciation applicable to the Relevant Assets included in each of the Real RAB and Real Core Services RAB Portion (respectively) for each Financial Year within the Previous Regulatory Cycle, determined in accordance with clause 2G.5.5(a); and
  - (vi) the real value of any Disposals of Relevant Assets included in the Real RAB and Real Core Services RAB Portion for each Financial Year within the Previous Regulatory Cycle.
- (b) In determining the matters referred to in clause 2G.5.10(a) as part of issuing an ACCC Replacement Module Determination:
- (i) the ACCC may estimate amounts of Capital Expenditure, Disposals or depreciation for any part of the Regulatory Cycle for which actual values are not available;
  - (ii) the ACCC will have regard to the total forecast of Capital Expenditure and the forecast of Capital Expenditure allocated to the Core Services RAB Portion for each of the relevant Financial Years of the Previous Regulatory Cycle (as stated in the ACCC Replacement Module Determination for the Previous Regulatory Cycle);
  - (iii) Capital Expenditure will be recognised at the time the Relevant Asset (to which the Capital Expenditure relates) is, or is estimated to be, Placed in Service;
  - (iv) the ACCC will:
    - (A) include all actual Capital Expenditure in the Real RAB (and the Real Core Services RAB Portion, as relevant) which the ACCC determines was (or is likely to be) incurred prudently and efficiently by NBN Co in achieving the Expenditure Objectives; and
    - (B) to the extent that the ACCC does not include actual Capital Expenditure in the Real RAB (and the Real Core Services RAB Portion, as relevant), the ACCC must instead include an amount of Capital Expenditure in the Real RAB (and the Real Core Services RAB Portion, as relevant) which the ACCC determines would have been (or would be) incurred prudently and efficiently by NBN Co in achieving the Expenditure Objectives;
  - (v) the ACCC will have regard to the Expenditure Factors when determining whether NBN Co's Capital Expenditure was (or is likely to be) incurred prudently and efficiently, as those factors would be construed at the time NBN Co incurred (or was likely to incur) the relevant Capital Expenditure;
  - (vi) the ACCC will assess whether NBN Co incurred Capital Expenditure prudently and efficiently based on the circumstances existing, and information and analysis that an operator in NBN Co's position could reasonably have been expected to have considered or undertaken, at the time NBN Co incurred the relevant Capital Expenditure;
- Note: This sub-clause (vi) applies to the extent that NBN Co has incurred the relevant Capital Expenditure. It does not apply to the extent that the ACCC's determination relates to Capital Expenditure that is likely to be incurred.*
- (vii) for the purposes of clause 2G.5.10(b)(iv), Capital Expenditure incurred on a project or program which is the subject of a Government Policy Project Notice was or is likely to be incurred prudently to the extent incurred or likely to be incurred in a manner that implements the details of that project or program as specified in that Government Policy Project Notice (and otherwise will be assessed as to whether it was or is likely to be

incurred prudently, including to the extent no such details are specified in the relevant notice, and also will be assessed as to whether it was or is likely to be incurred efficiently); and

- (viii) in respect of a project or program which is the subject of a Government Policy Project Notice for which a maximum amount of Capital Expenditure per Financial Year is specified in the relevant Government Policy Project Notice, the ACCC may cap the amount of Capital Expenditure to be included in the Real RAB and Real Core Services RAB Portion for the relevant Financial Year at the relevant maximum amount specified in that Government Policy Project Notice.

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## **PART C – COST ALLOCATION**

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### **2G.6 Cost allocation**

#### **2G.6.1 Overview**

This Part C of Schedule 2G sets out provisions regarding the allocation of costs and the categorisation of products and services during the Subsequent Regulatory Period.

#### **2G.6.2 Cost allocation principles**

The cost allocation principles are as follows:

- (a) costs that are directly attributable to a Core Regulated Service will be allocated to that Core Regulated Service;
- (b) costs that are directly attributable to a Competitive Service will be allocated to that Competitive Service;
- (c) shared costs (i.e. costs that are not directly attributable to a Core Regulated Service or Competitive Service) will be allocated to reflect causal relationships between supplying services and incurring costs, unless establishing a causal relationship would require undue cost or effort in which case an alternative suitable allocator will be used;
- (d) all costs will be allocated; and
- (e) no cost should be allocated more than once to any service,

**(Cost Allocation Principles).**

#### **2G.6.3 Cost Allocation Manual**

- (a) NBN Co:
  - (i) must, within 30 days of the Second SAU Variation Date, submit to the ACCC a proposed cost allocation manual which describes the detailed methodology pursuant to which NBN Co allocates costs in accordance with the Cost Allocation Principles (**Proposed CAM**); and
  - (ii) may otherwise submit a Proposed CAM to the ACCC at any time.
- (b) The ACCC may, by notifying NBN Co, approve a **Cost Allocation Manual** in either:
  - (i) the form of the Proposed CAM submitted by NBN Co; or

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- (ii) a form which incorporates reasonable changes made by the ACCC to the Proposed CAM submitted by NBN Co.
- (c) If the ACCC does not notify NBN Co of its decision to approve a Cost Allocation Manual under clause 2G.6.3(b) within 3 months of NBN Co submitting the Proposed CAM, the applicable Cost Allocation Manual will be the Proposed CAM submitted by NBN Co.
- (d) The ACCC may, by notifying NBN Co, extend the period referred to in clause 2G.6.3(c) (regardless of whether that period has already been extended under this clause 2G.6.3(d)) by up to two months per notice of extension.
- (e) The ACCC may, at any time, issue a notice to NBN Co that:
  - (i) directs NBN Co to submit a Proposed CAM to the ACCC; and
  - (ii) describes the changes to the Cost Allocation Manual that the ACCC considers should be included in the Proposed CAM to be submitted by NBN Co.
- (f) NBN Co must, within 3 months of receiving a notice under clause 2G.6.3(e), submit a Proposed CAM to the ACCC, in respect of which, clauses 2G.6.3(b) to 2G.6.3(d) will apply.
- (g) This Special Access Undertaking provides for costs to be allocated in accordance with the Cost Allocation Principles in particular circumstances. When allocating costs in accordance with the Cost Allocation Principles in those circumstances, NBN Co will apply, and the ACCC may have regard to, the Cost Allocation Manual.

**2G.6.4 Categorisation and cost allocation for products and services**

- (a) If, at any time, a product or service is categorised pursuant to this clause 2G.6.4 as a Competitive Service, clauses 2B.1.5(b) and 2H.1.3(b)(v) will apply to that Competitive Service.
- (b) If NBN Co proposes to introduce a new product or service or vary an existing product or service, and that product or service would, if so introduced or varied, fall within the scope of a product or service that is already categorised as a Competitive Service (or Core Regulated Service, as applicable), then, for the purposes of clause 2G.6.4(a), the relevant product or service will be a Competitive Service (or Core Regulated Service, as applicable).
- (c) NBN Co may propose, in any Replacement Module Application in respect of a Regulatory Cycle (for the purposes of this clause 2G.6.4(c) and clause 2G.6.4(d), the **Given Regulatory Cycle**), the re-categorisation of a product or service as either a Competitive Service or a Core Regulated Service. As part of such a Replacement Module Application, NBN Co will ensure that the:
  - (i) proposed Forecast Nominal Core Services ABBRR for each Financial Year of the Given Regulatory Cycle;
  - (ii) proposed forecast Nominal Core Services RAB Portion at the start of each Financial Year of the Given Regulatory Cycle; and
  - (iii) proposed Real Core Services RAB Portion at the start and end of each Financial Year of the Regulatory Cycle immediately preceding the Given Regulatory Cycle,  
reflect an allocation of building block model costs which:
    - (iv) accounts for the proposed re-categorisation of the relevant product or service; and
    - (v) is in accordance with the Cost Allocation Principles and the Cost Allocation Manual,

and otherwise are calculated in accordance with the other clauses of this Schedule 2G.

- (d) As part of a Replacement Module Application which proposes a re-categorisation pursuant to clause 2G.6.4(c), NBN Co may propose an adjustment to the value of the Real Module 2 Core Services ICRA, measured in Financial Year 2013/14 dollar terms, in accordance with the Cost Allocation Principles and the Cost Allocation Manual to take effect from the commencement of the Given Regulatory Cycle.
- (e) An ACCC Replacement Module Determination in respect of a Regulatory Cycle (for the purposes of this clause 2G.6.4(e) and clause 2G.6.4(f), the **Given Regulatory Cycle**) may re-categorise a product or service as a Core Regulated Service or Competitive Service, in which event:
- (i) the Forecast Nominal Core Services ABBRR for each Financial Year of the Given Regulatory Cycle; and
  - (ii) the forecast Nominal Core Services RAB Portion at the start of each Financial Year of the Given Regulatory Cycle; and
  - (iii) the Real Core Services RAB Portion at the start and end of each Financial Year of the Regulatory Cycle immediately preceding the Given Regulatory Cycle,  
determined in the ACCC Replacement Module Determination must reflect an allocation of building block model costs which:
    - (iv) accounts for the proposed re-categorisation of the relevant product or service; and
    - (v) is in accordance with the Cost Allocation Principles and the Cost Allocation Manual,  
and otherwise must be determined in accordance with the other clauses of this Schedule 2G.
- (f) An ACCC Replacement Module Determination which re-categorises an existing product or service as a Core Regulated Service or Competitive Service may also determine an updated value of the Real Module 2 Core Services ICRA, measured in Financial Year 2013/14 dollar terms, that accounts for the re-categorisation of the relevant product or service in accordance with the Cost Allocation Principles and the Cost Allocation Manual.

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## **PART D – TAXATION**

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### **2G.7 Taxation**

#### **2G.7.1 Nominal Tax Depreciation forecasts**

- (a) For the purposes of calculating, for any Financial Year, the Forecast Tax Allowance under clause 2G.7.2, the forecast Nominal Tax Depreciation for that Financial Year is the sum of:
- (i) the forecast nominal tax depreciation, determined on a straight line basis, of the nominal undepreciated tax value of the Relevant Assets (in each Asset Class) that formed part of the RAB at the commencement of that Regulatory Cycle, using the Weighted Average Remaining Taxation Asset Lifetime for that Asset Class as at the commencement of that Regulatory Cycle; and
  - (ii) the forecast nominal tax depreciation, determined on a straight line basis, of the value of Net Nominal Capital Expenditure (of each Asset Class) forecast to be incurred in connection with the design, engineering, construction, replacement and augmentation of Relevant Assets in each previous Financial Year of that Regulatory Cycle, using the Standard Asset Lifetime for that Asset Class.

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(b) For the purposes of calculating, for any Financial Year, the Forecast Core Services Tax Allowance under clause 2G.7.3, the forecast Nominal Tax Depreciation in respect of Core Regulated Services for that Financial Year is the sum of:

- (i) the forecast nominal tax depreciation, determined on a straight line basis, of the nominal undepreciated tax value of the Relevant Assets (in each Asset Class) that formed part of the Core Services RAB Portion at the commencement of that Regulatory Cycle, using the Weighted Average Remaining Taxation Asset Lifetime for that Asset Class as at the commencement of that Regulatory Cycle; and
- (ii) the forecast nominal tax depreciation, determined on a straight line basis, of the value of Net Nominal Capital Expenditure (of each Asset Class) forecast to be incurred in connection with the design, engineering, construction, replacement and augmentation of Relevant Assets in each previous Financial Year of that Regulatory Cycle, allocated to the Core Services RAB Portion in accordance with the Cost Allocation Principles and the Cost Allocation Manual, using the Standard Asset Lifetime for that Asset Class,

where the Weighted Average Remaining Taxation Asset Lifetime for each Asset Class will be the same as that used to calculate the forecast Nominal Tax Depreciation component of the Forecast Tax Allowance.

### **2G.7.2 Calculations for Forecast Tax Allowance**

For the purposes of clause 2G.2.4(e)(i), the Forecast Tax Allowance for Financial Year  $t$  will be calculated as follows:

$$\begin{aligned} \text{Forecast Tax Allowance}_t &= [\text{Max}(0, \text{Taxable Profit}_t + \text{Tax Loss Carried Forward}_{t-1})] \times \tau(1 - \gamma) \end{aligned}$$

where:

$\tau$  is the statutory company taxation rate that is forecast to apply in Financial Year ( $t$ ).

$\gamma$  (gamma) is the value of the imputation credits that is forecast to apply in Financial Year ( $t$ ), as calculated pursuant to clause 2G.7.4.

Taxable Profit $_t$  is the profit which is forecast to be subject to taxation calculated as follows, but subject to, for the purposes of corporate taxation: (i) the inclusion of any capital gains; (ii) the inclusion of any capital losses (but only to the extent that they are offset by any capital gains); (iii) the exclusion of any items to the extent that they are not deductible; (iv) the treatment of assets received by NBN Co for nil consideration; and (v) the treatment of government grants:

$$\begin{aligned} \text{Taxable Profit}_t &= [\text{Nominal Revenue}_t - \text{Nominal Opex}_t - \text{Interest Expense}_t \\ &\quad - \text{Nominal Tax Depreciation}_t] \end{aligned}$$

where:

(a) Nominal Revenue $_t$  is the sum of:

- (i) the elements of the Forecast Nominal ABBRR referred to in clauses 2G.2.1(a)(i) to 2G.2.1(a)(iv);
- (ii) the ACIPA for the Forecast Nominal ABBRR calculated in accordance with clause 2G.2.3(b);
- (iii) any other elements of the Forecast Nominal ABBRR pursuant to clause 2G.2.4(c); and

## Schedule 2G (ABBRR and WAPC Revenue Requirement)

(iv) the Nominal Annual Drawdown of ICRA calculated in accordance with clause 2G.4.2, each for Financial Year (t).

(b)  $Nominal\ Opex_t$  is the forecast Operating Expenditure for Financial Year (t) calculated pursuant to clause 2G.2.1(a)(i).

(c)  $Interest\ Expense_t$  is the product of:

(i) the forecast Nominal RAB for Financial Year (t) multiplied by the benchmark gearing ratio (as calculated pursuant to clause 2G.2.4(d)); multiplied by

(ii) the expected return on debt for Financial Year (t) (as calculated pursuant to clause 2G.2.4(d)).

(d)  $Nominal\ Tax\ Depreciation_t$  is the forecast Nominal Tax Depreciation for Financial Year (t), calculated in accordance with clause 2G.7.1(a).

(e)  $Tax\ Loss\ Carried\ Forward_{t-1}$  is determined as follows:

(i) if  $t-1$  refers to Financial Year 2007/08:

$$Tax\ Loss\ Carried\ Forward_{t-1} = 0; \text{ or}$$

(ii) otherwise,

$$Tax\ Loss\ Carried\ Forward_{t-1} = Min(0, Taxable\ Profit_{t-1} + Tax\ Loss\ Carried\ Forward_{t-2})$$

### **2G.7.3 Calculations for Forecast Core Services Tax Allowance**

For the purposes of clause 2G.2.4(e)(ii), the Forecast Core Services Tax Allowance for Financial Year t will be calculated using the formula in clause 2G.7.2, except that:

(a)  $Nominal\ Revenue_t$  is the sum of:

(i) the elements of the Forecast Nominal Core Services ABBRR referred to in clauses 2G.2.2(a)(i) to 2G.2.2(a)(iv);

(ii) the ACIPA for the Forecast Nominal Core Services ABBRR calculated in accordance with clause 2G.2.3(c);

(iii) any other elements of the Forecast Nominal Core Services ABBRR pursuant to clause 2G.2.4(c); and

(iv) the Nominal Annual Drawdown of ICRA calculated in accordance with clause 2G.4.2, each for Financial Year (t).

(b)  $Nominal\ Opex_t$  is the forecast Operating Expenditure for Financial Year (t) allocated to Core Regulated Services calculated pursuant to clause 2G.2.2(a)(i).

(c)  $Interest\ Expense_t$  is the product of:

(i) the forecast Nominal Core Services RAB Portion for Financial Year (t) multiplied by the benchmark gearing ratio (as calculated pursuant to clause 2G.2.4(d)); multiplied by

(ii) the expected return on debt for Financial Year (t) (as calculated pursuant to clause 2G.2.4(d)).

Schedule 2G (ABBRR and WAPC Revenue Requirement)

(d) *Nominal Tax Depreciation<sub>t</sub>* is the forecast Nominal Tax Depreciation in respect of Core Regulated Services for Financial Year (*t*), calculated in accordance with clause 2G.7.1(b).

**2G.7.4 Tax parameters**

For the purposes of clauses 2G.7.2 and 2G.7.3, gamma for Financial Year (*t*) will be:

(a) if the value of the sum of *Taxable Profit<sub>t</sub>* and *Tax Losses Carried Forward<sub>t-1</sub>* is negative, zero; or

(b) if the value of the sum of *Taxable Profit<sub>t</sub>* and *Tax Losses Carried Forward<sub>t-1</sub>* is positive, proposed by NBN Co in its Replacement Module Application for the relevant Regulatory Cycle and determined by the ACCC in any ACCC Replacement Module Determination for the relevant Regulatory Cycle,

where *Taxable Profit<sub>t</sub>* and *Tax Loss Carried Forward<sub>t-1</sub>* are as defined in clauses 2G.7.2 and 2G.7.3, as the case may be.



## ~~Schedule 2D~~ Schedule 2H Product Development and Withdrawal

### ~~2D.1.1~~ 2H.1 General

#### ~~2D.1.1~~ 2H.1.1 Scope

This Schedule 2H~~Schedule 2D~~ applies for the Subsequent Regulatory Period, ~~irrespective of whether a Replacement Module or ACCC Replacement Module Determination is in effect.~~

#### ~~2D.1.2~~ 2H.1.2 Product development principles

- (a) The following general principles apply to NBN Co's development of Products, Product Components, Product Features, Ancillary Services and types of Facilities Access Service (referred to collectively in this Schedule 2H~~Schedule 2D~~ as **Products**, unless the contrary intention appears):
- (i) NBN Co is committed to developing Products that Access Seekers want, that have sufficient demand to be commercially viable and from which Access Seekers gain value;
  - (ii) NBN Co's obligations:
    - (A) to implement Australian Government policy communicated to it (including in the Statement of Expectations) by the Shareholder Ministers; and
    - (B) under the CCA and the NBN Companies Act, determine the permitted scope of its activities and the Products that it can develop and supply, including the requirement that all Products be available on a wholesale-only, open access, non-discriminatory basis, to all Access Seekers; and
  - (iii) NBN Co wishes to encourage Access Seeker and Consumer Advocacy Group participation in the design of Products, and facilitate engagement and consultation in relation to Product Ideas, to enable NBN Co to fulfil the commitment described in clause 2H.1.2(a)(i)~~2D.1.2(a)(i)~~ in a manner consistent with NBN Co's scope of permitted activities as described in clause 2H.1.2(a)(ii)~~2D.1.2(a)(ii)~~.
- (b) Accordingly, NBN Co will utilise a product development process which seeks Access Seeker and Consumer Advocacy Group input as part of the process of developing detailed design requirements.

#### ~~2D.1.3~~ 2H.1.3 Application of this Schedule

- (a) This Schedule 2H~~Schedule 2D~~ sets out the process that NBN Co will apply to the introduction, variation or withdrawal of Products.
- (b) This Schedule 2H~~Schedule 2D~~ does not apply in respect of any of the following:
- (i) the introduction of a Product that is an Initial Product;
  - (ii) the introduction of a Product that NBN Co is obliged to offer as a result of a licence condition imposed under section 41(1) of the NBN Companies Act, but only to the extent that the specification of that Product is prescribed by that licence condition;
  - (iii) a minor variation or enhancement to a Product within the terms of clause 2H.5~~2D.5~~; and

## Schedule 2H (Product Development and Withdrawal)

(iv) subject to clause ~~2H.6.4(b)~~~~2D.6.4(b)~~, the withdrawal of a Product that NBN Co is required to withdraw for the reasons referred to in clause ~~2H.6.4~~~~2D.6.4~~; and

~~(iv)~~(v) a Competitive Service.

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## ~~2D.2~~2H.2 Withdrawal – Access Seeker Focussed Approach

- (a) Subject to this clause ~~2H.2~~~~2D.2~~ and to clause ~~2H.6~~~~2D.6~~, NBN Co may withdraw Products subject to NBN Co meeting its commitments set out in clauses ~~2H.3~~~~2D.3~~ and ~~2H.4~~~~2D.4~~ of this Schedule 2H ~~Schedule 2D~~.
- (b) Any withdrawal of a Product must be focussed on Access Seekers and NBN Co will first encourage Access Seeker and Consumer Advocacy Group feedback on NBN Co proposals to withdraw a Product and be responsive to any suggestions in relation to that withdrawal.

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## ~~2D.3~~2H.3 Integrated Product Roadmap

- (a) NBN Co will publish and maintain an integrated product roadmap in respect of Products.
- (b) The integrated product roadmap will be made available on NBN Co's Website.

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## ~~2D.4~~2H.4 Development

### ~~2D.4.1~~2H.4.1 Product Development Forum

- (a) NBN Co will implement a product development process through which NBN Co will engage with Access Seekers and Consumer Advocacy Groups in respect of Product development (**Product Development Forum**).
- (b) NBN Co will make the Product Development Forum open to participation by all Access Seekers and Consumer Advocacy Groups.
- (c) NBN Co will ensure that the Product Development Forum:
- (i) identifies and records all Product Ideas;
  - (ii) is the primary forum through which Product Ideas are developed, refined and disseminated;
  - (iii) facilitates an open and consultative dialogue with Access Seekers and Consumer Advocacy Groups in respect of Product Ideas for new Products and for enhancements and variations to existing Products, whilst respecting the confidential information and Intellectual Property Rights of Access Seekers and Consumer Advocacy Groups;
  - (iv) provides for the development of Product Ideas into Products to be offered to Access Seekers;
  - (v) provides for Access Seekers and Consumer Advocacy Groups to:
    - (A) obtain information about NBN Co's integrated product roadmap, including existing Products;
    - (B) assist NBN Co to determine whether there is sufficient demand for proposed Product Ideas; and

## Schedule 2H (Product Development and Withdrawal)

- (C) provide information and input to assist NBN Co to determine which Product Ideas to develop and in which order of priority; and
- (vi) provides for NBN Co to discuss, and Access Seekers and Consumer Advocacy Groups to provide feedback in relation to, the withdrawal of Products and related issues.

~~2D.4.2~~ **2H.4.2 Processes relating to Product Development Forum**

(a) NBN Co will comply with the PDF Processes set out in Annexure 1 of Schedule 1I throughout the Subsequent Regulatory Period, as if those provisions continued to operate and were set out in their entirety in this clause 2H.4.2.

(b) To participate in the Product Development Forum, Access Seekers and Consumer Advocacy Groups will be required to comply with the PDF Processes set out in Annexure 1 of Schedule 1I throughout the Subsequent Regulatory Period, as if those provisions continued to operate and were set out in their entirety in this clause 2H.4.2.

~~(a)~~(c) NBN Co may require that an Access Seeker or Consumer Advocacy Group (as the case may be) enter into an agreement regarding the treatment of the confidential information and intellectual property that may be disclosed or created in connection with each party's participation in the Product Development Forum.

~~(b)~~(d) For the purposes of 2H.4.2(c)~~2D.4.2(a)~~, an agreement regarding the treatment of confidential information and intellectual property will be on such terms and conditions:

- (i) as agreed between NBN Co and the relevant Access Seeker or Consumer Advocacy Group; or
- (ii) failing agreement, as may be determined by the ACCC, including in any Regulatory Determination made by the ACCC.

~~2D.4.3~~ **2H.4.3 Assessment of Product Ideas**

NBN Co will consider, and may weigh as it considers appropriate, such criteria as it determines appropriate in selecting which Product Ideas to develop through the Product Development Forum. Consistent with the general principles set out in clause 2H.1.2~~2D.1.2~~, those criteria may include the following:

- (a) whether the Product Idea is within NBN Co's permitted scope of activities;
- (b) whether there is sufficient demand or potential demand for the Product Idea;
- (c) whether the Product Idea will be commercially viable;
- (d) whether the Product Idea is technically and operationally viable;
- (e) whether expenditure on the Product Idea will be, or is reasonably likely to be, prudently incurred;
- (f) the Intellectual Property Rights that may be required to develop the Product Idea; and
- (g) any other factor that NBN Co reasonably considers should be taken into account.

~~2D.4.4~~ **2H.4.4 Pricing of new Products**

Prior to introducing a new Product which has been the subject of a Product Idea developed through the Product Development Forum, NBN Co will consult with Access Seekers and Consumer Advocacy Groups

## Schedule 2H (Product Development and Withdrawal)

through the Product Development Forum in relation to the Price or Prices at which such new Products will be introduced by NBN Co for all Access Seekers.

#### ~~2D.4.5~~ 2H.4.5 **Technical attributes for new Products**

Prior to introducing a new Product which has been the subject of a Product Idea developed through the Product Development Forum, NBN Co will consult with Access Seekers and Consumer Advocacy Groups through the Product Development Forum in relation to the technical attributes, including the network technology, network architecture, network dimensioning and congestion management, applicable to that new Product.

#### ~~2D.4.6~~ 2H.4.6 **Service levels for new Products**

Prior to introducing a new Product which has been the subject of a Product Idea developed through the Product Development Forum, NBN Co will consult with Access Seekers and Consumer Advocacy Groups through the Product Development Forum in relation to:

- (a) the service levels applicable to such a new Product (including any remedies which may apply for breach of the service levels); or
- (b) if NBN Co is unable to offer service levels (including any applicable remedies) prior to the introduction of a new Product, the estimated timetable and process of consultation in relation to the introduction of such service levels (including any applicable remedies).

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### ~~2D.5~~ 2H.5 **Minor Product Changes**

- (a) Notwithstanding anything to the contrary in this Schedule 2H, NBN Co may carry out minor product variations or enhancements which update or improve the functionality or performance of a Product and which will have no material adverse impact on Access Seekers (in this clause 2H.5~~2D.5~~, **Minor Product Variation**).
- (b) For Minor Product Variations, NBN Co will use the Product Development Forum to notify Access Seekers and Consumer Advocacy Groups of the proposed change and implementation timeframe, including through the integrated product roadmap.
- (c) NBN Co will ensure that the withdrawal of the supply of a Product is not treated as a Minor Product Variation.

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### ~~2D.6~~ 2H.6 **Withdrawal**

#### ~~2D.6.1~~ 2H.6.1 **Non-circumvention**

- (a) NBN Co will not vary any Product in a manner that changes the functionality, performance or features of that Product to such an extent that results in the Product no longer being reasonably capable of delivering at least the same functionality, performance or features previously associated with the Product.
- (b) Subject to clause 2H.5~~2D.5~~, if NBN Co wishes to vary a Product in a manner described in clause 2H.6.1(a)~~2D.6.1(a)~~, NBN Co will seek to withdraw the Product under this clause 2H.6~~2D.6~~ and to introduce a new Product in accordance with this Schedule 2H~~Schedule 2D~~.

## Schedule 2H (Product Development and Withdrawal)

~~2D.6.2~~ **2H.6.2 Notice period for Withdrawals**

- (a) Subject to clause ~~2H.6.3~~ ~~2D.6.3~~, NBN Co may withdraw a Product, Product Component, Product Feature, Ancillary Service and type of Facilities Access Service and will provide the ACCC, Access Seekers and Consumer Advocacy Groups with no less than:
- (i) 24 months' written notice of its intention to withdraw a Product, Product Component, Ancillary Service or type of Facilities Access Service;
  - (ii) subject to clause ~~2H.6.2(a)(iii)~~ ~~2D.6.2(a)(iii)~~, 12 months' written notice of its intention to withdraw a Product Feature; and
  - (iii) 24 months' written notice of its intention to withdraw a Product Feature where withdrawal will have a material adverse effect on the functionality or performance of a Product or Product Component with which the Product Feature is associated.
- (b) NBN Co will have regard to the following factors when considering whether to withdraw a Product:
- (i) existing demand for the Product;
  - (ii) the avoidable cost to NBN Co of maintaining and continuing to supply the existing Product;
  - (iii) the functionality offered by an alternative Product compared to the relevant Product to be withdrawn;
  - (iv) the technical feasibility of an alternative Product;
  - (v) the commercial viability of an alternative Product; and
  - (vi) the Price of an alternative Product.
- (c) In the written notice provided pursuant to clause ~~2H.6.2(a)~~ ~~2D.6.2(a)~~, NBN Co will also provide the ACCC, Access Seekers and Consumer Advocacy Groups with notice of:
- (i) the transitional arrangements that NBN Co may put in place (if any) to migrate Access Seekers from the relevant Product to an alternative Product, including:
    - (A) the proposed alternative Product;
    - (B) the proposed timeframe for migration to that alternative Product;
    - (C) the proposed testing arrangements for the alternative Product; and
    - (D) the details of any proposed trials or transition processes for the alternative Product, or
 if NBN Co will not offer an alternative Product, NBN Co's reasons for not doing so; and
  - (ii) NBN Co's assessment of the factors set out in clause ~~2H.6.2(b)~~ ~~2D.6.2(b)~~.
- (d) NBN Co will discuss and consider in good faith any feedback received from the ACCC, Access Seekers and Consumer Advocacy Groups in relation to the impending withdrawal of a Product and related issues, such as those set out in clause ~~2H.6.2(c)(i)~~ ~~2D.6.2(c)(i)~~.

## Schedule 2H (Product Development and Withdrawal)

**2D.6.3** **2H.6.3 ACCC objection power**

- (a) If NBN Co seeks to withdraw a Product in accordance with clause [2H.6.2\(a\)](#)~~2D.6.2(a)~~, the ACCC may object to the withdrawal of that Product.
- (b) If the ACCC objects to the withdrawal of a Product, the ACCC must give NBN Co a written notice stating its objection and providing reasons for its objection ([such notice, a Withdrawal Objection Notice](#)) and publish any [such Withdrawal Objection Notice](#) notice (and reasons) issued under this clause [2H.6.3\(b\)](#)~~2D.6.3(b)~~ on the ACCC's website.
- (c) In making a decision to issue a notice under clause [2H.6.3\(b\)](#)~~2D.6.3(b)~~ the ACCC:
  - (i) will have regard to the long-term interests of end-users in accordance with section 152AB of the CCA;
  - (ii) will have regard to the factors listed in clause [2H.6.2\(b\)](#)~~2D.6.2(b)~~; and
  - (iii) may consult with NBN Co and such other persons as the ACCC considers appropriate.
- (d) Any notice issued by the ACCC under clause [2H.6.3\(b\)](#)~~2D.6.3(b)~~ must be issued within the period of 60 Business Days from the date on which NBN Co notified the ACCC of its intention to withdraw a Product in accordance with clause [2H.6.2\(a\)](#)~~2D.6.2(a)~~.
- (e) The ACCC may extend the period referred to in clause [2H.6.3\(d\)](#)~~2D.6.3(d)~~ by a period of not more than 40 Business Days by giving written notice to NBN Co and publishing that notice on the ACCC's website.
- (f) If the ACCC issues a notice under clause [2H.6.3\(b\)](#)~~2D.6.3(b)~~, NBN Co must:
  - (i) inform Access Seekers and Consumer Advocacy Groups in writing that the Product will not be withdrawn; and
  - (ii) not withdraw the Product the subject of the notice for the period specified by the ACCC in that notice which must not be more than 5 years (but may be less than 5 years, as specified by the ACCC).
- (g) If the ACCC gives a notice pursuant to clause [2H.6.3\(b\)](#)~~2D.6.3(b)~~, NBN Co may give a further notice pursuant to clause [2H.6.2\(a\)](#)~~2D.6.2(a)~~ in respect of the Product the subject of the ACCC's notice, provided that the withdrawal of that Product will not occur before the end of the period specified by the ACCC in its notice and, where NBN Co gives a further notice, the provisions of this clause [2H.6.3](#)~~2D.6.3~~ will apply in respect of that further notice.

**2D.6.4** **2H.6.4 Product withdrawal required by law or directed by Shareholder Ministers**

- (a) Subject to clause [2H.6.4\(b\)](#)~~2D.6.4(b)~~, this clause [2H.6](#)~~2D.6~~ does not apply to the withdrawal of a Product that NBN Co is required by law or a Shareholder Minister to withdraw or which NBN Co is prohibited from providing under section 41(3) of the NBN Companies Act.
- (b) In the event of a withdrawal of a Product on the grounds referred to in clause [2H.6.4\(a\)](#)~~2D.6.4(a)~~, NBN Co will, to the extent permitted by law and consistent with any temporal requirements for the withdrawal imposed on NBN Co by law or by the Shareholder Minister (as the case may be):
  - (i) provide Access Seekers, Consumer Advocacy Groups and the ACCC with written notice of the withdrawal within 20 Business Days of NBN Co being made aware of the requirement to withdraw the Product; and

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- (ii) consult with, and consider any feedback received from, Access Seekers, Consumer Advocacy Groups and the ACCC in relation to the impending withdrawal and related issues, such as those set out in clause [2H.6.2\(c\)\(i\)](#) ~~2D.6.2(e)(i)~~.

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## ~~Schedule 2E Maximum Regulated Price Review Mechanisms~~

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### ~~2E.1 Introduction~~

#### ~~2E.1.1 Scope~~

- (a) ~~Subject to clause 2E.1.1(b), this Schedule 2E applies for the Subsequent Regulatory Period, irrespective of whether a Replacement Module or ACCC Replacement Module Determination is in effect.~~
- (b) ~~To avoid doubt, nothing in this Schedule 2E is to be taken as preventing the ACCC before the commencement of the Subsequent Regulatory Period, performing a function or exercising a power, for the purposes of clause 2E.2.~~

#### ~~2E.1.2 Overview~~

~~This Schedule 2E confers functions and powers on the ACCC pursuant to section 152CBA(10A) of the CCA to undertake a review of the Maximum Regulated Prices of:~~

- (a) ~~NBN Offers; and~~
- (b) ~~Other Charges.~~

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## ~~2E.2 Price Review Arrangements~~

### ~~2E.2.1 Initiation of Price Review~~

- (a) ~~Subject to clause 2E.2.1(c), either the ACCC or NBN Co may issue a written notice (in this clause 2E.2, **Price Review Notice**) to the other stating that it wishes to commence a review of the Maximum Regulated Prices applicable to NBN Offers and/or Other Charges under this clause 2E.2 (in this clause 2E.2, **Price Review**).~~
- (b) ~~The Price Review Notice must:~~
- (i) ~~identify one or more Maximum Regulated Prices that the notifying party considers should be reviewed; and~~
  - (ii) ~~the reasons why the notifying party considers the Maximum Regulated Prices should be reviewed.~~
- (c) ~~A Price Review Notice may be issued under clause 2E.2.1(a):~~
- (i) ~~before the commencement of the Subsequent Regulatory Period, provided that the Price Review Notice is not issued more than 2 years prior to the commencement of the Subsequent Regulatory Period; and/or~~
  - (ii) ~~during the Subsequent Regulatory Period.~~

### ~~2E.2.2 NBN Co to develop Price Review Proposal~~

- (a) ~~NBN Co will, no later than 120 calendar days after a Price Review Notice is issued (or such other later date specified by the ACCC), provide the ACCC with a proposal in relation to the Maximum Regulated Prices the subject of the Price Review Notice (in this clause 2E.2, **Price Review Proposal**).~~
- (b) ~~The Price Review Proposal must include the following information:~~



[21.4 Schedule 2G \(Non-price terms and conditions\)](#)

- ~~(i) — a proposed Price Review Arrangement developed in accordance with the Price Review Criteria, which includes the matters referred to in clause 2E.2.7(a);~~
- ~~(ii) — an explanation of the basis on which the proposed Price Review Arrangement satisfies the Price Review Criteria; and~~
- ~~(iii) — the forecasts and estimates used by NBN Co to apply the Price Review Criteria to the proposed Price Review Arrangement, and an explanation of the basis on which those forecasts and estimates were prepared, including the methods used and assumptions made.~~

**2E.2.3 — ACCC response to Price Review Proposal**

- ~~(a) — The ACCC may either:
 
  - ~~(i) — accept the Price Review Proposal;~~
  - ~~(ii) — reject the Price Review Proposal, in which case the ACCC may either:
 
    - ~~(A) — issue its own Price Review Arrangement (in this clause 2E.2, an **ACCC Determined Price Review Arrangement**); or~~
    - ~~(B) — discontinue the Price Review without establishing a Price Review Arrangement, in which case the Price Review will terminate; or~~~~
  - ~~(iii) — where the ACCC issued the relevant Price Review Notice, discontinue the Price Review without rejecting the Price Review Proposal or establishing a Price Review Arrangement, in which case the Price Review will terminate.~~~~
- ~~(b) — The ACCC may request NBN Co to give to the ACCC further information that the ACCC considers reasonably necessary for making a decision under clause 2E.2.3(a) and NBN Co must comply with such a request within the period specified by the ACCC.~~
- ~~(c) — The ACCC must not make a decision under clause 2E.2.3(a) unless the ACCC has had regard to the information in the Price Review Proposal provided by NBN Co under clause 2E.2.2.~~
- ~~(d) — The ACCC must publish on its website a Price Review Proposal provided to it by NBN Co.~~
- ~~(e) — The ACCC may consult with NBN Co and such other persons as the ACCC considers appropriate on NBN Co's Price Review Proposal, and must consider any submissions that are received within the time limit specified by the ACCC.~~
- ~~(f) — The ACCC must publish on its website its decision under clause 2E.2.3(a), including the reasons for the decision and any resulting Price Review Arrangement.~~

**2E.2.4 — Variation of Price Review Proposal**

- ~~(a) — The ACCC may issue a written notice to NBN Co stating that if NBN Co:
 
  - ~~(i) — makes such variations to the Price Review Proposal as are specified in the notice; and~~
  - ~~(ii) — gives the varied Price Review Proposal to the ACCC within the period specified in the notice,~~
 the ACCC will consider the varied Price Review Proposal under clause 2E.2.3 as if the varied Price Review Proposal had been given instead of the original Price Review Proposal.~~

[21.4 Schedule 2G \(Non-price terms and conditions\)](#)

If NBN Co gives the ACCC a varied Price Review Proposal in response to the notice issued under clause 2E.2.4(a), the ACCC will consider the varied Price Review Proposal under clause 2E.2.3 as if the varied Price Review Proposal had been given instead of the original Price Review Proposal.

**2E.2.5 — Acceptance of Price Review Proposal**

If a Price Review Proposal is accepted by the ACCC under clause 2E.2.3(a), the proposed Price Review Arrangement included in that Price Review Proposal becomes a Price Review Arrangement.

**2E.2.6 — ACCC Determined Price Review Arrangement**

If the ACCC issues an ACCC Determined Price Review Arrangement under clause 2E.2.3(a), the ACCC Determined Price Review Arrangement becomes a Price Review Arrangement.

**2E.2.7 — Content and operation of Price Review Arrangement**

(a) — A Price Review Arrangement must specify:

(i) — the commencement date of the Price Review Arrangement which must:

(A) — be the start of a Financial Year within the Subsequent Regulatory Period;

(B) — not be a date that precedes the date on which the Price Review Arrangement is accepted or issued by the ACCC;

(C) — not be in a Financial Year in respect of which a previous Price Review Arrangement applies; and

(D) — be no later than 12 months after the date on which the Price Review Arrangement is accepted or issued by the ACCC;

(ii) — the end date of the Price Review Arrangement, which must be the end of a Financial Year between 1 and 5 Financial Years after the commencement date of the Price Review Arrangement;

(iii) — the NBN Offers and/or Other Charges to which the Price Review Arrangement applies (in this clause 2E.2, each a **Reviewed Offer**);

(iv) — for each Reviewed Offer, the Maximum Regulated Price for one or more Financial Years within the period of the Price Review Arrangement; and

(v) — any changes required to the Forecast Nominal ABBRR and Forecast Real ABBRR under clause 2C.2.1 and, if relevant, the Annual Revenue Forecast under clause 2C.3 and the Adjusted Forecast ABBRR under clause 2C.6.1, to account for the matters set out in clause 2C.4.1.

(b) — The Maximum Regulated Price for a Reviewed Offer specified in a Price Review Arrangement may:

(i) — be specified in the form of an amount or as a formula for ascertaining the amount; and

(ii) — be different for each Financial Year for which the Price Review Arrangement specifies a Maximum Regulated Price for the Reviewed Offer (including to establish a glide path in relation to the Maximum Regulated Price for the Reviewed Offer).

(c) — If a Price Review Arrangement applies to a Reviewed Offer and a Financial Year within the Subsequent Regulatory Period, then the Maximum Regulated Price for that Reviewed Offer for that Financial Year will be the Maximum Regulated Price specified in that Price Review

[21.4 Schedule 2G \(Non-price terms and conditions\)](#)

~~Arrangement for that Reviewed Offer for that Financial Year in accordance with clause 2B.2.2, subject to the provisions of the relevant Replacement Module or the relevant ACCC Replacement Module Determination addressing the matters referred to in clause 4.6(g)(i).~~

**2E.2.8 — Price Review Requirements**

- ~~(a) Subject to clause 2E.2.8(b), the ACCC must not accept a Price Review Proposal, or issue an ACCC Determined Price Review Arrangement, under clause 2E.2.3(a), unless the ACCC is satisfied that:~~
- ~~(i) the Maximum Regulated Price of each Reviewed Offer for each Financial Year to which the Price Review Arrangement applies is reasonable, having regard to the matters specified in section 152AH of the CCA, the matters referred to in clause 2E.2.8(d) and any other matter the ACCC considers relevant; and~~
  - ~~(ii) there is no material difference between:~~
    - ~~(A) the present value of the difference between the expected Revenue and the sum of the expected ABBRR for each Financial Year, between the commencement of the Price Review Arrangement and the SAU Expiry Date, if the Price Review Arrangement were in operation; and~~
    - ~~(B) the present value of the difference between the expected Revenue and the sum of the expected ABBRR for each Financial Year, between the commencement of the Price Review Arrangement and the SAU Expiry Date, if the Price Review Arrangement were not in operation,~~
- ~~(in this clause 2E.2, **Price Review Criteria**).~~
- ~~(b) Section 152CBD(5A) of the CCA applies to the ACCC's decision whether to accept or reject a Price Review Proposal under clause 2E.2.3(a) as if the references to an undertaking in that section were references to a Price Review Proposal, except for section 152CBD(5A)(d) (which does not apply to the ACCC's decision).~~
- ~~(c) Section 152BCB(3C) of the CCA applies to the ACCC's decision to issue an ACCC Determined Price Review Arrangement under clause 2E.2.3(a) as if the references in that section to making an access determination were references to issuing an ACCC Determined Price Review Arrangement.~~
- ~~(d) In deciding whether to accept or reject a Price Review Proposal and in issuing an ACCC Determined Price Review Arrangement, the ACCC must have regard to:~~
- ~~(i) the legitimate business interests of NBN Co;~~
  - ~~(ii) the characteristics of the NBN Offers and activities associated with Other Charges other than the Reviewed Offers (in this clause 2E.2.8(d), **Other Offers**);~~
  - ~~(iii) the costs associated with Other Offers;~~
  - ~~(iv) the impact of the ACCC's decision on the Revenue associated with Other Offers;~~
  - ~~(v) the impact of the ACCC's decision on the demand for Other Offers; and~~
  - ~~(vi) any other factor the ACCC considers relevant.~~

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## Schedule 2I Service Standards and other non-price terms and conditions

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### 2I.1 General

#### 2I.1.1 Scope

This Schedule 2I applies for the Subsequent Regulatory Period.

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### 2I.2 Benchmark Service Standards

#### 2I.2.1 Commitment to include Service Standards in an SFAA

- (a) NBN Co will include in the SFAA published in accordance with clause 8, by the date set out in a relevant SAU Service Standards Instrument and for the remainder of the relevant Regulatory Cycle, an obligation to meet or exceed Service Standards which are no less favourable to Access Seekers than the Benchmark Service Standards set out in that SAU Service Standards Instrument as they may be changed from time to time in accordance with clauses 2I.2.2 and 2I.2.3.
- (b) In determining the Service Standards applicable to Service Standards Products, NBN Co will comply with clause 2I.2.1(a).
- (c) For clarity, the consequences of NBN Co failing to achieve any Service Standards included in an SFAA published in accordance with clause 8 is limited to the payment of any applicable rebate or taking of any applicable corrective action in accordance with the terms of that SFAA.

#### 2I.2.2 ACCC initiated benchmark changes

- (a) If a Retail Service Standard Regulation is made or a Systemic Service Standard Event occurs during a Regulatory Cycle, the ACCC may give NBN Co a notice in that Regulatory Cycle specifying:
- (i) the details of that Retail Service Standard Regulation or Systemic Service Standard Event; and
  - (ii) a due date for NBN Co to provide a response, provided that such due date must be no earlier than 40 Business Days after the ACCC's notice.
- (b) NBN Co must give to the ACCC a response to a notice given under clause 2I.2.2(a) by the due date specified in accordance with clause 2I.2.2(a), which must include:
- (i) whether NBN Co considers a change to the Benchmark Service Standards in response to the Retail Service Standard Regulation or Systemic Service Standard Event is necessary, and NBN Co's reasons; and
  - (ii) the details of any change to the Benchmark Service Standards proposed by NBN Co and the proposed date by which any amendments to the SFAA published in accordance with clause 8 required to reflect the proposed change will be made,
- (Service Standard Response).
- (c) The ACCC may accept or reject a Service Standard Response:
- (i) within 40 Business Days of receipt of the Service Standard Response; or

## Schedule 2I (Service Standards and other non-price terms and conditions)

- (ii) if the ACCC notifies an extension during those first 40 Business Days, within a further 20 Business Days.
- (d) If the ACCC accepts a Service Standard Response, the SFAA published in accordance with clause 8 is to be amended to reflect the relevant change by the date set out in the Service Standard Response.
- (e) If the ACCC rejects a Service Standard Response within the timeframe specified in 2I.2.2(c), the ACCC may issue a determination:
- (i) within 20 Business Days of the date of rejection; or
- (ii) if the ACCC notifies an extension during those first 20 Business Days, within a further 20 Business Days,
- which determination sets out:
- (iii) in the case of a determination that relates to the making of a Retail Service Standard Regulation, any change to the Benchmark Service Standards that is necessary if Access Seekers are to be capable of complying with the new or changed mandatory service standard that is the subject of the Retail Service Standard Regulation;
- (iv) in the case of a determination that relates to the occurrence of a Systemic Service Standard Event, any change to the Benchmark Service Standards to the extent proportionate and necessary to address the Systemic Service Standard Event; and
- (v) the date by which any amendments to the SFAA published in accordance with clause 8 must be made to reflect any changes determined by the ACCC,
- (an ACCC Service Standard Determination).
- (f) If the ACCC issues an ACCC Service Standard Determination, NBN Co must, by the date set out in the ACCC Service Standard Determination, amend the SFAA published in accordance with clause 8 such that it includes an obligation to meet or exceed Service Standards which are no less favourable to Access Seekers than the Benchmark Service Standards as changed by the ACCC Service Standard Determination.
- Note: NBN Co may make (or may be required to make) Cost Pass-Through Applications under clause 2D.5.1 in relation to an accepted Service Standard Response or ACCC Service Standard Determination. If accepted, this may affect the application of the WAPC formula with the effect of increasing or decreasing the average price change allowed by the WAPC.*
- (g) If the ACCC does not accept or reject a Service Standard Response within the timeframe specified in clause 2I.2.2(c), or the ACCC does not issue an ACCC Service Standard Determination within the timeframe specified in clause 2I.2.2(e), there will be no change to the Benchmark Service Standards.

**2I.2.3 NBN Co-initiated benchmark changes**

- (a) Without limiting clause 2I.2.3(b), NBN Co may propose changes to the Benchmark Service Standards for the First Regulatory Cycle set out in Attachment I (Benchmark Service Standards for First Regulatory Cycle) in accordance with this clause 2I.2.3 prior to the commencement of the Subsequent Regulatory Period, notwithstanding that this Schedule 2I otherwise applies only in the Subsequent Regulatory Period.
- (b) If NBN Co wishes to change the Benchmark Service Standards for a Regulatory Cycle, NBN Co must:

## Schedule 2I (Service Standards and other non-price terms and conditions)

- (i) provide a draft proposal to Access Seekers that sets out:
- (A) NBN Co's proposed changes, including the date by which NBN Co proposes any amendments to the SFAA published in accordance with clause 8 will be made to reflect the proposed changes; and
- (B) a statement as to whether, if NBN Co were to submit a Benchmark Service Standards Change Proposal in respect of the proposed changes, NBN Co intends to submit a corresponding Cost Pass-Through Application, and if so, an estimate of:
- (I) the Total Event Pass-Through Amount; and
- (II) NBN Co's proposed annual cost pass-through amounts  $TCP_t$  for one or more Financial Years; and
- (ii) invite submissions from Access Seekers on the draft proposal, and provide for a submission period of at least 20 Business Days from the date of that invitation.
- (c) If, following the expiry of any submission period under clause 21.2.3(b)(ii), NBN Co wishes to change the Benchmark Service Standards for a Regulatory Cycle, NBN Co will provide the ACCC with a notice specifying:
- (i) NBN Co's final proposed changes to the Benchmark Service Standards;
- (ii) a summary of submissions from Access Seekers which were received by NBN Co during the submission period under clause 21.2.3(b)(ii) and a copy of such submissions subject to any confidentiality requirements of such Access Seekers;
- (iii) an explanation of any changes NBN Co has made to the draft proposal on which it consulted, having considered such submissions; and
- (iv) NBN Co's proposal for the date by which any amendments to the SFAA published in accordance with clause 8 will be made to reflect the proposed changes,
- (Benchmark Service Standards Change Proposal).**
- (d) NBN Co must make any Cost Pass-Through Application in respect of the Benchmark Service Standards Change Proposal in accordance with clause 2D.5.1 at the same time NBN Co provides the relevant Benchmark Service Standards Change Proposal to the ACCC in accordance with clause 21.2.3(c).
- (e) At any time after the provision of a Benchmark Service Standards Change Proposal and before the ACCC notifies NBN Co of any decision under clause 21.2.3(f), NBN Co may provide the ACCC a notice that NBN Co is withdrawing that Benchmark Service Standards Change Proposal (including in response to any feedback provided by the ACCC), in which case there will be no change to the Benchmark Service Standards.
- Note: NBN Co may submit a new Benchmark Service Standards Change Proposal under clause 21.2.3(c) if it wishes to make changes to a Benchmark Service Standards Change Proposal in respect of which NBN Co has provided a notice of withdrawal under clause 21.2.3(e) (including in response to any feedback provided by the ACCC).*
- (f) Unless NBN Co has notified a Benchmark Service Standards Change Proposal withdrawal under clause 21.2.3(e), the ACCC may, by notice to NBN Co, accept or reject the Benchmark Service Standards Change Proposal within the following periods:

## Schedule 21 (Service Standards and other non-price terms and conditions)

- (i) if NBN Co has not provided a corresponding Cost Pass-Through Application in accordance with clause 2D.5.1:
  - (A) within 40 Business Days of receipt of the Benchmark Service Standards Change Proposal; or
  - (B) if the ACCC notifies an extension during those first 40 Business Days, within a further 20 Business Days;
- (ii) if NBN Co has provided a corresponding Cost Pass-Through Application in accordance with clause 2D.5.1:
  - (A) within 40 Business Days of receipt of the Benchmark Service Standards Change Proposal; or
  - (B) if the ACCC notifies any extension or extensions under clause 2D.5.4(d) in respect of that Cost Pass-Through Application, within the extended or further extended period,  
  
provided that the period for the acceptance or rejection by the ACCC of a Benchmark Service Standards Change Proposal will expire on the making by the ACCC of any determination in respect of the Cost Pass-Through Application in accordance with clause 2D.5.4(a).
- (g) NBN Co must, by the date set out in the Benchmark Service Standards Change Proposal, amend the SFAA published in accordance with clause 8 such that it includes an obligation to meet or exceed Service Standards which are no less favourable to Access Seekers than the Benchmark Service Standards as changed by the Benchmark Service Standards Change Proposal if the ACCC accepts a Benchmark Service Standards Change Proposal and either:
  - (i) NBN Co has not provided a corresponding Cost Pass-Through Application; or
  - (ii) NBN Co has provided a corresponding Cost Pass-Through Application and:
    - (A) each annual cost pass-through amount  $TCP_t$  determined by the ACCC in accordance with clause 2D.5.4 is no less than the relevant amount proposed by NBN Co in that Cost Pass-Through Application; or
    - (B) both of the following apply:
      - (I) the ACCC determines in accordance with clause 2D.5.4(a) that any annual cost pass-through amount  $TCP_t$  is lower than the relevant amount proposed by NBN Co in the Cost Pass-Through Application; and
      - (II) NBN Co has notified the ACCC, within 20 Business Days after the ACCC's determination in accordance with clause 2D.5.4(a), that it wishes to proceed with the changes to the Benchmark Service Standards proposed in the Benchmark Service Standards Change Proposal; or
    - (C) clause 2D.5.4(e) applies.
- (h) The changes proposed in a Benchmark Service Standards Change Proposal will not take effect if:
  - (i) the ACCC rejects, or does not accept, the Benchmark Service Standards Change Proposal within the timeframe specified in clause 21.2.3(f); or
  - (ii) NBN Co has provided a corresponding Cost Pass-Through Application and all of the following apply:

## Schedule 2I (Service Standards and other non-price terms and conditions)

- (A) the ACCC determines in accordance with clause 2D.5.4(a) that:
- (I) the Positive Change Event or Negative Change Event (to which the Cost Pass-Through Application relates) has not occurred; or
  - (II) any annual cost pass-through amount  $TCP_t$  is lower than the relevant amount proposed by NBN Co in the Cost Pass-Through Application; and
- (B) NBN Co has not notified the ACCC, within 20 Business Days after the ACCC's determination in accordance with clause 2D.5.4(a), that it wishes to proceed with the changes to the Benchmark Service Standards proposed in the Benchmark Service Standards Change Proposal.

**2I.2.4 Matters to be taken into account**

(a) In making:

- (i) any decision to accept or reject a Service Standard Response or Benchmark Service Standards Change Proposal given by NBN Co to the ACCC; or
- (ii) an ACCC Service Standard Determination,

the ACCC:

- (iii) must take into account the matters set out in section 152BCA(1) of the CCA; and
- (iv) may take into account any other matters it thinks are relevant to the relevant decision.

(b) If the ACCC requests further information from NBN Co, for the purpose of calculating the period under clauses 2I.2.2(c), 2I.2.2(e) or 2I.2.3(f) (as applicable), each day will be disregarded in the period:

- (i) beginning on the date the information was requested; and
- (ii) ending on the date on which NBN Co has provided all the requested information to the ACCC.

(c) Sections 152BCB(1) and (4A) of the CCA apply to any decision made by the ACCC to:

- (i) accept or reject a Service Standard Response or Benchmark Service Standards Change Proposal given by NBN Co to the ACCC; or
- (ii) issue an ACCC Service Standard Determination,

as if the references to an access determination in those sections were references to the relevant decision made by the ACCC.

**2I.2.5 Service standards in respect of Competitive Services**

NBN Co will determine the service standards in respect of Competitive Services, and for clarity such service standards will not be subject to this Schedule 2I.



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## **21.3 Term of any SFAA**

### **21.3.1 Standard Form of Access Agreement**

In respect of the second and each subsequent Regulatory Cycle, NBN Co will ensure that any SFAA that is published includes an expiry date which results in the term of the SFAA upon publication being of a duration that is no longer than the duration of the relevant Regulatory Cycle. For clarity, this does not preclude NBN Co publishing any SFAA which includes the option of the parties to an Access Agreement agreeing to extend the term of that Access Agreement beyond such expiry date.

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## **21.4 Non-price terms and conditions**

### **21.4.1 Closures and Relocations of Established POIs**

(a) NBN Co will provide Access Seekers and the ACCC with at least 12 months' prior notice of a closure or relocation of an Established POI.

(b) This clause 21.4.1 does not apply to the relocation or closure of an Established POI in response to an Emergency.

### **21.4.2 New Established POIs**

(a) NBN Co will provide Access Seekers with no less than 12 months' prior notice of the establishment of a new Established POI.

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## **21.5 Dispute Management**

### **21.5.1 Dispute resolution process in a SFAA**

(a) NBN Co must provide in any SFAA that, if the parties cannot resolve a Dispute commercially within a specified time period, the Dispute may be resolved by:

(i) expert determination by a single expert applying the Resolution Institute Expert Determination Rules, where the single expert will be as agreed between the parties or, if they cannot agree, selected by a Resolution Advisor; or

(ii) if the parties do not seek to resolve the Dispute through expert determination, a Panel Arbitration.

(b) A SFAA must include Dispute Management Rules that cover the:

(i) selection of an expert by a Resolution Advisor;

(ii) selection of a Panel by a Resolution Advisor; and

(iii) conduct of a Panel Arbitration, including a procedure for challenging a Panel Member.

(c) A SFAA must include acknowledgments that:

(i) a Resolution Advisor will perform his or her function in relation to a Dispute in accordance with his or her terms of appointment, including the requirements to comply with the Dispute Management Rules and to have regard to any Approved Dispute Guideline; and

(ii) a Panel Member will perform his or her function in relation to a Dispute in accordance with the Approved Pool Terms and the Approved Panel Terms, including the requirements to

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comply with the Dispute Management Rules and to have regard to any Approved Dispute Guideline.

## **21.5.2 Definitions and other Dispute Resolution terms**

In clause 21.5.1:

- (a) the terms **Dispute, Dispute Management Rules, Panel, Panel Arbitration, Panel Member and Resolution Advisor** each have the meaning given in Annexure 1 (Dispute Resolution) to Schedule 1H; and
- (b) the provisions set out in Annexure 1 (Dispute Resolution) to Schedule 1H will apply in full, as if the provisions in Annexure 1 (Dispute Resolution) to Schedule 1H continued to operate and were set out in their entirety in clause 21.5.1.

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## **21.6 Commitments as to accounting separation and transparency**

### **21.6.1 Submission of proposed accounting procedures**

NBN Co must, by 31 March 2024, submit to the ACCC a document which sets out:

- (a) procedures for establishing and maintaining consolidated and separate accounts for each of the following products and services:
  - (i) in respect of the NBN Co Fibre Network, NBN Co FTTB Network, NBN Co FTTN Network, NBN Co FTTC Network and NBN Co HFC Network:
    - (A) AVC TC-1 Ordered Products;
    - (B) AVC TC-2 Ordered Products; and
    - (C) AVC TC-4 Ordered Products;
  - (ii) in respect of the NBN Co Wireless Network:
    - (A) AVC TC-1 Ordered Products; and
    - (B) AVC TC-4 Ordered Products;
  - (iii) in respect of the NBN Co Satellite Network:
    - (A) AVC TC-1 Ordered Products; and
    - (B) AVC TC-4 Ordered Products;
  - (iv) the NBN Co Sky Muster Plus Satellite Service;
  - (v) NBN Co Enterprise Ethernet;
  - (vi) the NBN Co Business Satellite Service;
  - (vii) NBN Co Satellite Mobility for Large Commercial Passenger Aircrafts; and
  - (viii) NNI Ordered Products;
- (b) arrangements for:
  - (i) scope, form and timing of any reporting by NBN Co to the ACCC; and

## Schedule 2I (Service Standards and other non-price terms and conditions)

(ii) the scope and timing of any external assurance,

that will apply in respect of the procedures described in clause 2I.6.1(a);

(c) a methodology for the allocation of costs between the products and services referred to in clause 2I.6.1(a) which is consistent with the Cost Allocation Principles and the Cost Allocation Manual; and

(d) a methodology for the allocation of revenues between the products and services referred to in clause 2I.6.1(a),

**(Proposed Accounting Procedures).**

**2I.6.2 Consultation on, and approval of, accounting procedures**

(a) NBN Co must consult with the ACCC in developing the Proposed Accounting Procedures submitted by NBN Co under clause 2I.6.1.

(b) The ACCC may, by notifying NBN Co, determine **Approved Accounting Procedures** in either:

(i) the form of the Proposed Accounting Procedures; or

(ii) a form which incorporates reasonable changes to the Proposed Accounting Procedures,

within 3 months of NBN Co submitting the Proposed Accounting Procedures, failing which the Approved Accounting Procedures will be the Proposed Accounting Procedures submitted by NBN Co.

(c) The ACCC may, by notifying NBN Co, extend the period referred to in clause 2I.6.2(b) (regardless of whether that period has already been extended under this clause 2I.6.2(c)) by up to two months per notice of extension, in which case the relevant Accounting Separation Establishment Date will be extended by a period that is equal to the extension of the period referred to in clause 2I.6.2(b).

**2I.6.3 Effective date and compliance with Approved Accounting Procedures**

(a) Subject to any extension under clauses 2I.6.4(c) or 2I.6.4(d), NBN Co must establish and maintain consolidated and separate accounts in accordance with the Approved Accounting Procedures in respect of:

(i) the products and services listed in clause 2I.6.1(a), on and from 31 December 2024; and

(ii) those same products or services and any products and services supplied by NBN Co to which clause 2I.6.5(a)(i) relates, on and from the date that is two months after the date on which the ACCC determines Approved Accounting Procedures in response to NBN Co submitting New Proposed Accounting Procedures (where that date must be no earlier than 31 December 2024),

each such date being an **Accounting Separation Establishment Date**.

(b) NBN Co will comply with the Approved Accounting Procedures on and from the relevant Accounting Separation Establishment Date.

#### **21.6.4 Extension of relevant accounting separation timeframes**

- (a) NBN Co may, not later than 30 Business Days before the relevant Accounting Separation Establishment Date, request an extension to that Accounting Separation Establishment Date by giving a notice to the ACCC stating:
- (i) the date by which NBN Co proposes to:
    - (A) establish and maintain consolidated and separate accounts in accordance with the Approved Accounting Procedures; and
    - (B) comply with those Approved Accounting Procedures; and
  - (ii) the reasons for the request.
- (b) The ACCC may, within 10 Business Days of receiving a request from NBN Co under clause 21.6.4(a), accept or reject that request. If the ACCC does not notify NBN Co whether it has accepted or rejected the request in that period, NBN Co must perform its obligations under clause 21.6.3(b) by the relevant Accounting Separation Establishment Date (that applied at the time of the request).
- (c) If the ACCC accepts a request from NBN Co under clause 21.6.4(b), then, on and from the date of notification of NBN Co by the ACCC of its acceptance of NBN Co's request, the Accounting Separation Establishment Date for the purposes of clause 21.6.3 will be:
- (i) the date proposed by NBN Co in the notice given under clause 21.6.4(a); or
  - (ii) such other date as may be determined by the ACCC, which must be no earlier than the Accounting Separation Establishment Date which applied at the time of NBN Co's request.
- (d) Without limiting any other provision in this clause 21.6, the ACCC may, by notifying NBN Co, extend the then-applicable Accounting Separation Establishment Date by up to 60 Business Days per notice of extension, regardless of whether the relevant Accounting Separation Establishment Date has already been extended under clause 21.6.4(c).

#### **21.6.5 Changes to Accounting Procedures**

- (a) The ACCC may, by notice to NBN Co at any time after the ACCC determines Approved Accounting Procedures under clause 21.6.2(b), direct NBN Co to submit changes to the Approved Accounting Procedures to:
- (i) account for any other product or service supplied by NBN Co for which the ACCC reasonably considers that NBN Co should establish and maintain consolidated and separate accounts (having regard to the contribution of that product to NBN Co's annual Revenue in the immediately preceding Financial Year); or
  - (ii) account for other matters which the ACCC considers warrant a change to the Approved Accounting Procedures.
- (b) Without limiting clause 21.6.1, NBN Co:
- (i) must submit proposed changes to the Approved Accounting Procedures to the ACCC within 2 months after the date of any notice by the ACCC under clause 21.6.5(a); and
  - (ii) may otherwise submit changes to the Approved Accounting Procedures to the ACCC at any time,
- (each, **New Proposed Accounting Procedures**).

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(c) The process in clause 21.6.2 will apply to the New Proposed Accounting Procedures as if each reference to “Proposed Accounting Procedures” in clause 21.6.2 were a reference to the New Proposed Accounting Procedures.

**21.6.6 Exceptions**

This clause 21.6, other than this clause 21.6.6 will not apply:

- (a) in respect of any products or services that have been withdrawn; or
- (b) to the extent that the ACCC has made record-keeping rules under section 151BU of the CCA that require NBN Co to keep and retain separate accounts for each of the products and services described in clause 21.6.1(a) or a product or service to which clause 21.6.5(a) applies.

## Attachment E NBN Access Service

### 1 TC-4 Offers

#### 1.1 Flat-Rate Offers

<u>AVC Data Transfer Rate PIR downlink (Mbps)<sup>1</sup></u>	<u>AVC Data Transfer Rate PIR uplink (Mbps)<sup>1</sup></u>	<u>Monthly Recurring Charge, per SIO</u>
<u>25 – 100</u>	<u>5 – 20</u>	<u>\$55.00</u>
<u>50 – 100</u>	<u>20</u>	<u>\$55.00</u>
<u>Fixed Wireless Home Fast</u>		<u>\$55.00</u>
<u>100</u>	<u>20</u>	<u>\$55.00</u>
<u>25 – 100</u>	<u>5 – 40</u>	<u>\$58.00</u>
<u>50 – 100</u>	<u>20 – 40</u>	<u>\$58.00</u>
<u>100</u>	<u>40</u>	<u>\$58.00</u>
<u>Fixed Wireless Superfast</u>		<u>\$60.00</u>
<u>250</u>	<u>25</u>	<u>\$60.00</u>
<u>250</u>	<u>100</u>	<u>\$100.00</u>
<u>500</u>	<u>200</u>	<u>\$160.00</u>
<u>500 to 1,000<sup>2</sup></u>	<u>50</u>	<u>\$70.00</u>
<u>1,000<sup>3</sup></u>	<u>400</u>	<u>\$230.00</u>

**Notes:**

<sup>1</sup> No additional charges apply for CVC TC-4 utilised in conjunction with a Flat-Rate Offer.

<sup>2</sup> The Maximum Data Transfer Rate will fall anywhere between 500 Mbps and less than but close to 1000 Mbps.

<sup>3</sup> The Maximum Data Transfer Rate will be less than but close to 1000 Mbps.

#### 1.2 Bundled TC-4 Offers

<u>AVC Data Transfer Rate PIR downlink (Mbps)</u>	<u>AVC Data Transfer Rate PIR uplink (Mbps)</u>	<u>CVC TC-4 PIR symmetrical inclusion (Mbps)<sup>1</sup></u>	<u>Monthly Recurring Charge, per SIO</u>
<u>12 (Voice-Only Bundled Offer)<sup>2</sup></u>	<u>1</u>	<u>0</u>	<u>\$12.00</u>
<u>12</u>	<u>1</u>	<u>0</u>	<u>\$24.40</u>
<u>25</u>	<u>5</u>	<u>0.2</u>	<u>\$26.00</u>
<u>25</u>	<u>5 – 10</u>	<u>0.2</u>	<u>\$26.00</u>
<u>25</u>	<u>10</u>	<u>0.2</u>	<u>\$26.00</u>
<u>25 – 50</u>	<u>5 – 20</u>	<u>2.5</u>	<u>\$50.00</u>
<u>50</u>	<u>20</u>	<u>2.5</u>	<u>\$50.00</u>
<u>Up to 75<sup>3</sup></u>	<u>Up to 10<sup>3</sup></u>	<u>2.5</u>	<u>\$50.00</u>

**Notes:**

<sup>1</sup> Additional charges may apply as set out in clause 3.1(a) for use of CVC TC-4 in conjunction with these Bundled TC-4 Offers in excess of the CVC TC-4 inclusions (if any).

<sup>2</sup> The Voice-Only Bundled Offer and \$12.00 Monthly Recurring Charge will apply for each day of a billing period on which an AVC with the relevant bandwidth profile is used as an input into an Access Seeker Product or Downstream Product which is a voice-only service and utilises 0.1 Mbps of TC-4 (PIR) or less of capacity. On other days, the \$24.40 Monthly Recurring Charge will apply on a pro-rated daily basis.

<sup>3</sup> This is a potential maximum information rate, not a peak information rate.

### 1.3 Asymmetric AVC Offers in respect of the NBN Co Satellite Network

<u>AVC Data Transfer Rate PIR downlink (Mbps)</u>	<u>AVC Data Transfer Rate PIR uplink (Mbps)</u>	<u>Monthly Recurring Charge, per SIO</u>
<u>12</u>	<u>1</u>	<u>\$24.00</u>
<u>25</u>	<u>5</u>	<u>\$27.00</u>

## 2 TC-2 and TC-1 Offers

### 2.1 Bundled TC-2 Offers

<u>AVC symmetrical Data Transfer Rate CIR (Mbps)</u>	<u>CVC symmetrical Data Transfer Rate CIR inclusion (Mbps)</u>	<u>Enhanced Fault Service Level</u>	<u>Monthly Recurring Charge, per SIO</u>
<u>5</u>	<u>5</u>	<u>Enhanced-12 (24/7)</u>	<u>\$50.00</u>
<u>10</u>	<u>10</u>	<u>Enhanced-12 (24/7)</u>	<u>\$131.00</u>
<u>20</u>	<u>20</u>	<u>Enhanced-12 (24/7)</u>	<u>\$192.00</u>
<u>30</u>	<u>30</u>	<u>Enhanced-12 (24/7)</u>	<u>\$220.00</u>
<u>40</u>	<u>40</u>	<u>Enhanced-12 (24/7)</u>	<u>\$223.00</u>
<u>50</u>	<u>50</u>	<u>Enhanced-12 (24/7)</u>	<u>\$225.00</u>
<u>60</u>	<u>60</u>	<u>Enhanced-12 (24/7)</u>	<u>\$581.00</u>
<u>70</u>	<u>70</u>	<u>Enhanced-12 (24/7)</u>	<u>\$626.00</u>
<u>80</u>	<u>80</u>	<u>Enhanced-12 (24/7)</u>	<u>\$672.00</u>
<u>90</u>	<u>90</u>	<u>Enhanced-12 (24/7)</u>	<u>\$704.00</u>
<u>100</u>	<u>100</u>	<u>Enhanced-12 (24/7)</u>	<u>\$714.00</u>

*Note: Additional charges may apply as set out in clause 3.2 for provisioning of CVC TC-2 in conjunction with these Bundled TC-2 Offers in excess of the CVC TC-2 inclusions.*

### 2.2 Symmetric Access Capacity Offers (TC-1)

<u>AVC symmetrical Data Transfer Rate CIR (Mbps)</u>	<u>Monthly Recurring Charge, per SIO</u>
<u>0.15</u>	<u>\$10.00</u>
<u>0.3</u>	<u>\$20.00</u>
<u>0.5</u>	<u>\$33.00</u>
<u>1</u>	<u>\$66.00</u>
<u>2</u>	<u>\$132.00</u>
<u>5</u>	<u>\$330.00</u>

## 3 Connectivity Virtual Circuit Offers

### 3.1 Connectivity Virtual Circuit Offers (TC-4)

(a) Connectivity Virtual Circuit Offers (TC-4) in respect of the NBN Co Networks other than the NBN Co Satellite Network:

<u>Monthly Recurring Charge, per utilised symmetrical Mbps (PIR)</u>
<u>\$8.00</u>

*Note: The Price in this clause 3.1(a) applies on and from the Price Transition Date. The Price for these NBN Offers up until the Price Transition Date is set out in clause 9.4.*

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(b) Connectivity Virtual Circuit Offers (TC-4) in respect of the NBN Co Satellite Network:

<u>Monthly Recurring Charge, per provisioned symmetrical Mbps (CIR)</u>
<u>\$15.75</u>

**3.2 Connectivity Virtual Circuit Offers (TC-2)**

<u>Monthly Recurring Charge, per provisioned symmetrical Mbps (CIR)</u>
<u>\$17.50</u>

**3.3 Connectivity Virtual Circuit Offers (TC-1)**

<u>Monthly Recurring Charge, per provisioned symmetrical Mbps (CIR)</u>
<u>\$17.50</u>

**4 CVC Class Offers for the NBN Co Satellite Network**

<u>CVC Class</u>	<u>Monthly Recurring Charge, per AVC TC-4 associated with the Connectivity Virtual Circuit Offer (TC-4) in conjunction with which the CVC Class Offer is acquired</u>
<u>0</u>	<u>\$0.00</u>
<u>1</u>	<u>\$18.00</u>
<u>2</u>	<u>\$40.00</u>

**5 Network to Network Interface Offers**

<u>NNI Product Feature</u>	<u>Monthly Recurring Charge*</u>
<u>1000BaseLX</u>	<u>\$100 per NNI Bearer</u>
<u>10GBaseLR</u>	<u>\$400 per NNI Bearer</u>
<u>100GBaseLR4</u>	<u>\$2,400 per NNI Bearer</u>
<u>1000BaseEX</u>	<u>\$125 per NNI Bearer</u>
<u>10GBaseER</u>	<u>\$500 per NNI Bearer</u>
<u>100GBaseER4</u>	<u>\$3,000 per NNI Bearer</u>
<u>V-NNI</u>	<u>\$65 per V-NNI</u>
<u>NNI Link</u>	<u>\$0 per NNI Link</u>

\* There is also a one-off establishment charge as set out in clauses 8.1 and 8.2 of this Attachment E. V-NNI and NNI Link are not available in respect of the NBN Co Satellite Network.

**6 Second UNI-V and AVC Offer**

<u>Monthly Recurring Charge, per SIO</u>
<u>\$17.50</u>

**7 Enhanced Fault Service Level Offers**

<u>Type of Enhanced Fault Service Levels Offer</u>	<u>Monthly Recurring Charge per AVC</u>
<u>Enhanced-12 Fault Service Levels</u>	<u>\$15.00</u>
<u>Enhanced-12 (24/7) Fault Service Levels</u>	<u>\$40.00</u>



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<a href="#">Enhanced-8 Fault Service Levels</a>	<a href="#">\$25.00</a>
<a href="#">Enhanced-8 (24/7) Fault Service Levels</a>	<a href="#">\$55.00</a>
<a href="#">Enhanced-6 Fault Service Levels</a>	<a href="#">\$32.50</a>
<a href="#">Enhanced-6 (24/7) Fault Service Levels</a>	<a href="#">\$65.00</a>
<a href="#">Enhanced-4 Fault Service Levels</a>	<a href="#">\$40.00</a>
<a href="#">Enhanced-4 (24/7) Fault Service Levels</a>	<a href="#">\$75.00</a>

## 8 Other Charges – NBN Access Service

### 8.1 Installations and activations – NBN Co Networks other than the NBN Co Satellite Network

Activity	Charge per activity		
	NBN Co Network		
	Fibre and Wireless	FTTB, FTTN and FTTC	HFC
<a href="#">Initial Standard Installation</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>
<a href="#">Initial Non Standard Installation</a>	<a href="#">Hourly Labour Rate plus cost of materials</a>	<a href="#">Hourly Labour Rate plus cost of materials</a>	<a href="#">Hourly Labour Rate plus cost of materials</a>
<a href="#">After Hours Installation<sup>1</sup></a>	<a href="#">\$150<sup>2</sup></a>	<a href="#">\$150</a>	<a href="#">N/A</a>
<a href="#">Professional FTTC-NCD Installation</a>	<a href="#">N/A</a>	<a href="#">Hourly Labour Rate charged for a minimum of 2 hours<sup>4</sup></a>	<a href="#">N/A</a>
<a href="#">Professional HFC-NTD Installation</a>	<a href="#">N/A</a>	<a href="#">N/A</a>	<a href="#">Hourly Labour Rate charged for a minimum of 2 hours</a>
<a href="#">Subsequent Installation</a>	<a href="#">Hourly Labour Rate charged for a minimum amount equivalent to 3.6 hours, plus cost of materials</a>	<a href="#">Hourly Labour Rate charged for a minimum amount equivalent to 3.6 hours, plus cost of materials</a>	<a href="#">Hourly Labour Rate charged for a minimum amount equivalent to 3.6 hours, plus cost of materials</a>
<a href="#">Fibre Upgrade Installation</a>	<a href="#">\$200<sup>2,3</sup></a>	<a href="#">N/A</a>	<a href="#">N/A</a>
<a href="#">Subsequent Installation of power supply with battery backup</a>	<a href="#">\$0<sup>2</sup></a>	<a href="#">N/A</a>	<a href="#">N/A</a>
<a href="#">Access Component Reactivation</a>	<a href="#">\$5</a>	<a href="#">\$5</a>	<a href="#">\$5</a>
<a href="#">CVC Set-up &amp; Activation</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>
<a href="#">NNI 1000BaseLX Set-up &amp; Activation</a>	<a href="#">\$1,000</a>	<a href="#">\$1,000</a>	<a href="#">\$1,000</a>
<a href="#">NNI 10GBaseLR Set-up &amp; Activation</a>	<a href="#">\$5,000</a>	<a href="#">\$5,000</a>	<a href="#">\$5,000</a>
<a href="#">NNI 100GBaseLR4 Set-up &amp; Activation</a>	<a href="#">\$30,000</a>	<a href="#">\$30,000</a>	<a href="#">\$30,000</a>
<a href="#">NNI 1000BaseEX Set-up &amp; Activation</a>	<a href="#">\$2,000</a>	<a href="#">\$2,000</a>	<a href="#">\$2,000</a>
<a href="#">NNI 10GBaseER Set-up &amp; Activation</a>	<a href="#">\$6,000</a>	<a href="#">\$6,000</a>	<a href="#">\$6,000</a>
<a href="#">NNI 100GBaseER4 Set-up &amp; Activation</a>	<a href="#">\$36,000</a>	<a href="#">\$36,000</a>	<a href="#">\$36,000</a>
<a href="#">NNI Link Activation</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>
<a href="#">V-NNI Activation</a>	<a href="#">\$250</a>	<a href="#">\$250</a>	<a href="#">\$250</a>
<a href="#">Service Qualification Enquiry</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>

#### Notes:

<sup>1</sup> [In addition to the amount that would otherwise apply if the relevant Installation was performed between 9:00am and 5:00pm, Monday to Friday, excluding public holidays in the state or territory in which the Premises is located.](#)

<sup>2</sup> [Other Charge not applicable in respect of the NBN Co Wireless Network.](#)

<sup>3</sup> [This Other Charge applies on and from the Price Transition Date.](#)

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<sup>4</sup> Other Charge not applicable in respect of the NBN Co FTTB Network or NBN Co FTTN Network.

## 8.2 Installations and activations – NBN Co Satellite Network

Activity	Charge per activity		
<a href="#">Initial Standard Installation</a>	\$0 plus incidental charges which may apply for Limited Access Areas		
<a href="#">Initial Non Standard Installation</a>	Satellite Labour Rate plus cost of materials plus incidental charges (over and above Initial Standard Installation)		
<a href="#">Subsequent Installation in Urban Area, Major Rural Area, Minor Rural Area or Remote Area</a>	<a href="#">0.8m NTD outdoor unit dish</a>	<a href="#">1.2m NTD outdoor unit dish</a>	<a href="#">1.8m NTD outdoor unit dish</a>
	<a href="#">\$692</a>	<a href="#">\$1,057</a>	<a href="#">\$2,226</a>
<a href="#">Subsequent Installation in Isolated Area</a>	<a href="#">0.8m NTD outdoor unit dish</a>	<a href="#">1.2m NTD outdoor unit dish</a>	<a href="#">1.8m NTD outdoor unit dish</a>
	<a href="#">\$1,559</a>	<a href="#">\$1,751</a>	<a href="#">\$3,732</a>
<a href="#">Subsequent Installation in Limited Access Area</a>	Satellite Labour Rate plus cost of materials plus incidental charges		
<a href="#">Access Component Reactivation</a>	\$15 plus incidental charges which may apply for Limited Access Areas		
<a href="#">CVC Set-up &amp; Activation</a>	\$0		
<a href="#">NNI 1000BaseLX Set-up &amp; Activation</a>	<a href="#">\$1,000</a>		
<a href="#">NNI 10GBaseLR Set-up &amp; Activation</a>	<a href="#">\$5,000</a>		
<a href="#">NNI 1000BaseEX Set-up &amp; Activation</a>	<a href="#">\$2,000</a>		
<a href="#">NNI 10GBaseER Set-up &amp; Activation</a>	<a href="#">\$6,000</a>		
<a href="#">Site Survey Charge</a>	<a href="#">\$225</a> plus incidental charges which may apply for Limited Access Areas		

## 8.3 Service modifications – NBN Co Networks other than the NBN Co Satellite Network

Activity	Charge per activity			
	NBN Co Network			
	Fibre and Wireless	FTTB and FTTN	FTTC	HFC
<a href="#">Access Component Modification (no attendance at Premises required)</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>
<a href="#">CVC Modification</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>
<a href="#">NNI Modification</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>
<a href="#">NNI Link Modification</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>	<a href="#">\$0</a>
<a href="#">Equipment Modification (attendance at Premises required)</a>	<a href="#">Hourly Labour Rate plus cost of materials</a>	<a href="#">Hourly Labour Rate charged for a minimum of 3 hours</a>	<a href="#">Hourly Labour Rate charged for a minimum of 3 hours, plus cost of materials</a>	<a href="#">Hourly Labour Rate charged for a minimum of 3 hours, plus cost of materials</a>
<a href="#">Equipment Removal</a>	<a href="#">Hourly Labour Rate plus cost of materials</a>	<a href="#">Hourly Labour Rate charged for a minimum of 3 hours</a>	<a href="#">Hourly Labour Rate charged for a minimum of 3 hours, plus cost of materials</a>	<a href="#">Hourly Labour Rate charged for a minimum of 3 hours, plus cost of materials</a>
<a href="#">Equipment Repair</a>	<a href="#">Hourly Labour Rate plus cost of materials</a>	<a href="#">Hourly Labour Rate charged for a minimum of 3 hours</a>	<a href="#">Hourly Labour Rate charged for a minimum of 3</a>	<a href="#">Hourly Labour Rate charged for a minimum of 3</a>

## Attachment E (NBN Access Service)

Activity	Charge per activity			
	NBN Co Network			
	Fibre and Wireless	FTTB and FTTN	FTTC	HFC
			hours, plus cost of materials	hours, plus cost of materials

#### 8.4 Service modifications – NBN Co Satellite Network

Activity	Charge per activity		
<a href="#">Access Component Modification (no attendance at Premises required)</a>	\$0		
<a href="#">CVC Modification</a>	\$0		
<a href="#">NNI Modification</a>	\$0		
<a href="#">Equipment Modification (NTD indoor unit)</a>	\$420 plus incidental charges which may apply for Limited Access Areas		
<a href="#">Equipment Modification (NTD outdoor unit) in Urban Area, Major Rural Area, Minor Rural Area or Remote Area</a>	<a href="#">0.8m NTD outdoor unit dish</a>	<a href="#">1.2m NTD outdoor unit dish</a>	<a href="#">1.8m NTD outdoor unit dish</a>
	\$754	\$1,119	\$2,288
<a href="#">Equipment Modification (NTD outdoor unit) in Isolated Area</a>	<a href="#">0.8m NTD outdoor unit dish</a>	<a href="#">1.2m NTD outdoor unit dish</a>	<a href="#">1.8m NTD outdoor unit dish</a>
	\$1,621	\$1,812	\$3,793
<a href="#">Equipment Modification (NTD outdoor unit) in Limited Access Area</a>	Satellite Labour Rate plus cost of materials plus incidental charges		
<a href="#">Equipment Modification (NTD indoor and outdoor unit) in Urban Area, Major Rural Area, Minor Rural Area or Remote Area</a>	<a href="#">0.8m NTD outdoor unit dish</a>	<a href="#">1.2m NTD outdoor unit dish</a>	<a href="#">1.8m NTD outdoor unit dish</a>
	\$783	\$1,149	\$2,317
<a href="#">Equipment Modification (NTD indoor and outdoor unit) in Isolated Area</a>	<a href="#">0.8m NTD outdoor unit dish</a>	<a href="#">1.2m NTD outdoor unit dish</a>	<a href="#">1.8m NTD outdoor unit dish</a>
	\$1,650	\$1,842	\$3,823
<a href="#">Equipment Modification (NTD indoor and outdoor unit) in Limited Access Area</a>	Satellite Labour Rate plus cost of materials plus incidental charges		
<a href="#">Equipment Repair</a>	Satellite Labour Rate plus cost of materials plus incidental charges		

#### 8.5 Service management – NBN Co Networks other than the NBN Co Satellite Network

Activity	Charge per activity		
	NBN Co Network		
	Fibre and Wireless	FTTB and FTTN and FTTC	HFC
<a href="#">On Site Maintenance Call Out</a>	\$0	N/A	N/A

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Activity	Charge per activity		
	NBN Co Network		
	Fibre and Wireless	FTTB and FTTN and FTTC	HFC
<a href="#">No Fault Found (No Truck Roll Required)</a>	\$50	\$50	\$50
<a href="#">No Fault Found (Truck Roll Required)</a>	Hourly Labour Rate charged for a minimum of 2 hours	Hourly Labour Rate charged for a minimum of 2 hours	Hourly Labour Rate charged for a minimum of 2 hours
<a href="#">No Fault Found (Truck Roll Required and Professional Wiring Service)</a>	N/A	Hourly Labour Rate charged for a minimum of 3.5 hours, plus cost of materials (minimum of \$10) <sup>1</sup>	N/A
<a href="#">Late Cancellation (Site Visit Required)</a>	\$0	\$75	\$75
<a href="#">First Missed Appointment<sup>2</sup></a>	\$0	\$50	\$50
<a href="#">Subsequent Missed Appointment<sup>3</sup></a>	\$0	\$75	\$75
<a href="#">Coordinated Appointment (Day)<sup>4</sup></a>	\$200 <sup>5</sup>	\$200	\$200
<a href="#">Coordinated Appointment (Night)<sup>4</sup></a>	\$300 <sup>5</sup>	\$300	\$300
<a href="#">Late Cancellation (After Hours Installation Appointment)</a>	\$150 <sup>5</sup>	\$150	N/A
<a href="#">Late Cancellation (Coordinated Appointment)</a>	The Price for the Coordinated Appointment in this section 8.5 <sup>5</sup>	The Price for the Coordinated Appointment in this section 8.5	The Price for the Coordinated Appointment in this section 8.5
<a href="#">Late Rescheduling (Coordinated Appointment)</a>	The Price for the Coordinated Appointment in this section 8.5 <sup>5</sup>	The Price for the Coordinated Appointment in this section 8.5	The Price for the Coordinated Appointment in this section 8.5
<a href="#">Restoration of an Ordered Product</a>	\$50	\$50	\$50
<a href="#">Missed Appointment (After Hours Installation Appointment)</a>	\$150 <sup>5</sup>	\$150	N/A
<a href="#">Missed Appointment (Coordinated Appointment)</a>	The Price for the Coordinated Appointment in this section 8.5 <sup>5</sup>	The Price for the Coordinated Appointment in this section 8.5	The Price for the Coordinated Appointment in this section 8.5
<a href="#">Incorrect Callout</a>	N/A	\$75	\$75
<a href="#">Voiceband Reinstatement</a>	N/A	\$250 <sup>1</sup>	N/A
<a href="#">Transition Reversal</a>	N/A	\$250	N/A

**Notes:**

<sup>1</sup> Other Charge not applicable in respect of the NBN Co FTTC Network.

<sup>2</sup> A Missed Appointment for works in respect of which there has been no previous Missed Appointment.

<sup>3</sup> A Missed Appointment for works in respect of which there has been one or more previous Missed Appointments.

<sup>4</sup> In addition to the amount that applies for any activity performed in respect of the Coordinated Appointment.

<sup>5</sup> Other Charge not applicable in respect of the NBN Co Wireless Network.

**8.6 Service management – NBN Co Satellite Network**

Activity	Charge per activity
<a href="#">On Site Maintenance Call Out</a>	\$0 plus incidental charges which may apply for Limited Access Areas
<a href="#">No Fault Found (No Truck Roll Required)</a>	\$50.00
<a href="#">No Fault Found (Truck Roll Required)</a>	\$420.00 plus incidental charges which may apply for Limited Access Areas

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<a href="#">Late Cancellation (Site Visit Required) in Urban Area or Major Rural Area</a>	<a href="#">\$150.00</a>
<a href="#">Late Cancellation (Site Visit Required) in Minor Rural Area or Remote Area</a>	<a href="#">\$200.00</a>
<a href="#">Late Cancellation (Site Visit Required) in Isolated Area</a>	<a href="#">\$225.00</a>
<a href="#">Late Cancellation (Site Visit Required) in Limited Access Area</a>	<a href="#">\$225.00 plus incidental charges</a>
<a href="#">Missed Appointment (Urban Area or Major Rural Area)</a>	<a href="#">\$150.00</a>
<a href="#">Missed Appointment (Minor Rural Area or Remote Area)</a>	<a href="#">\$200.00</a>
<a href="#">Missed Appointment (Isolated Area)</a>	<a href="#">\$225.00</a>
<a href="#">Missed Appointment (Limited Access Area)</a>	<a href="#">\$225.00 plus incidental charges</a>
<a href="#">Restoration</a>	<a href="#">\$50.00</a>

**8.7 Service Transfer-related charges – all NBN Co Networks**

<a href="#">Activity</a>	<a href="#">Charge per activity</a>
<a href="#">Service Transfer</a>	<a href="#">\$5</a>
<a href="#">Transfer Reversal</a>	<a href="#">\$5</a>
<a href="#">Non-Infrastructure Transfers (per Service Transfer)</a>	<a href="#">\$5</a>

**8.8 CVC Class Adjustment – NBN Co Satellite Network**

<a href="#">Ordered CVC Class</a>	<a href="#">Usage</a>	<a href="#">Charge per each associated AVC TC-4</a>
<a href="#">0</a>	<a href="#">Up to the allocated usage for CVC Class 1</a>	<a href="#">\$18.00</a>
	<a href="#">Greater than the allocated usage for CVC Class 1 up to the allocated usage for CVC Class 2</a>	<a href="#">\$40.00</a>
	<a href="#">Greater than allocated usage for CVC Class 2</a>	<a href="#">\$150.00</a>
<a href="#">1</a>	<a href="#">Up to the allocated usage for CVC Class 2</a>	<a href="#">\$22.00</a>
	<a href="#">Greater than allocated usage for CVC Class 2</a>	<a href="#">\$132.00</a>
<a href="#">2</a>	<a href="#">Greater than allocated usage for CVC Class 2</a>	<a href="#">\$110.00</a>

**9 Expiring NBN Offers****9.1 Asymmetric AVC Offers**

<a href="#">AVC Data Transfer Rate PIR downlink (Mbps)</a>	<a href="#">AVC Data Transfer Rate PIR uplink (Mbps)</a>	<a href="#">Monthly Recurring Charge, per SIO</a>
<a href="#">12</a>	<a href="#">1</a>	<a href="#">\$24.00</a>
<a href="#">25</a>	<a href="#">5</a>	<a href="#">\$27.00</a>
<a href="#">25</a>	<a href="#">5 – 10</a>	<a href="#">\$30.00</a>
<a href="#">25</a>	<a href="#">10</a>	<a href="#">\$30.00</a>
<a href="#">25 – 50</a>	<a href="#">5 – 20</a>	<a href="#">\$34.00</a>
<a href="#">50</a>	<a href="#">20</a>	<a href="#">\$34.00</a>
<a href="#">Up to 75<sup>1</sup></a>	<a href="#">Up to 10<sup>1</sup></a>	<a href="#">\$34.00</a>
<a href="#">25 – 100</a>	<a href="#">5 – 20</a>	<a href="#">\$37.00</a>
<a href="#">50 – 100</a>	<a href="#">20</a>	<a href="#">\$37.00</a>
<a href="#">Fixed Wireless Home Fast</a>		<a href="#">\$37.00</a>
<a href="#">100</a>	<a href="#">20</a>	<a href="#">\$37.00</a>

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<u>AVC Data Transfer Rate PIR downlink (Mbps)</u>	<u>AVC Data Transfer Rate PIR uplink (Mbps)</u>	<u>Monthly Recurring Charge, per SIO</u>
<u>25 – 100</u>	<u>5 – 40</u>	<u>\$38.00</u>
<u>50 – 100</u>	<u>20 – 40</u>	<u>\$38.00</u>
<u>100</u>	<u>40</u>	<u>\$38.00</u>
<u>Fixed Wireless Superfast</u>		<u>\$68.00</u>
<u>250</u>	<u>25</u>	<u>\$68.00</u>
<u>250</u>	<u>100</u>	<u>\$70.00</u>
<u>500</u>	<u>200</u>	<u>\$100.00</u>
<u>500 to 1,000<sup>2</sup></u>	<u>50</u>	<u>\$80.00</u>
<u>1,000<sup>3</sup></u>	<u>400</u>	<u>\$150.00</u>

**Notes:**

<sup>1</sup> This is a potential maximum information rate, not a peak information rate.

<sup>2</sup> The Maximum Data Transfer Rate will fall anywhere between 500 Mbps and less than but close to 1000 Mbps.

<sup>3</sup> The Maximum Data Transfer Rate will be less than but close to 1000 Mbps.

**9.2 Additional Asymmetric AVC Offers**

<u>AVC Data Transfer Rate PIR downlink (Mbps)</u>	<u>AVC Data Transfer Rate PIR uplink (Mbps)</u>	<u>Monthly Recurring Charge, per SIO</u>
<u>12</u>	<u>1</u>	<u>\$16.50</u>
<u>25</u>	<u>5</u>	<u>\$19.50</u>
<u>25</u>	<u>10</u>	<u>\$22.50</u>
<u>50</u>	<u>20</u>	<u>\$26.50</u>
<u>100</u>	<u>40</u>	<u>\$30.50</u>
<u>250</u>	<u>100</u>	<u>\$62.50</u>
<u>500</u>	<u>200</u>	<u>\$92.50</u>
<u>1,000<sup>1</sup></u>	<u>400</u>	<u>\$142.50</u>

**Note:**

<sup>1</sup> The Maximum Data Transfer Rate will be less than but close to 1000 Mbps.

**9.3 Symmetric Access Capacity Offers (TC-2)**

<u>AVC symmetrical Data Transfer Rate CIR (Mbps)</u>	<u>Monthly Recurring Charge, per SIO</u>
<u>5</u>	<u>\$32.00</u>
<u>10</u>	<u>\$64.00</u>
<u>20</u>	<u>\$128.00</u>
<u>30</u>	<u>\$192.00</u>
<u>40</u>	<u>\$256.00</u>
<u>50</u>	<u>\$320.00</u>
<u>60</u>	<u>\$384.00</u>
<u>70</u>	<u>\$448.00</u>
<u>80</u>	<u>\$512.00</u>
<u>90</u>	<u>\$576.00</u>
<u>100</u>	<u>\$640.00</u>

Attachment E (NBN Access Service)

#### **9.4 Connectivity Virtual Circuit Offers (TC-4) NBN Co Networks other than the NBN Co Satellite Network**

<u>Monthly Recurring Charge, per provisioned symmetrical Mbps (CIR)</u>
<u>\$15.75</u>

**Note:** *Despite this clause 9 generally setting out the Expiring NBN Offers, the Connectivity Virtual Circuit Offers (TC-4) are not Expiring NBN Offers. Rather, the Price in this clause 9.4 is included here because it has no further operative effect on and from the Price Transition Date. On and from the Price Transition Date, the Price for these NBN Offers set out in clause 3.1(a) will apply.*

#### **9.5 Standard Business Offer**

<u>Monthly Recurring Charge per SIO</u>
<u>\$53.00</u>

## Attachment F Facilities Access Service

### 1 NBN Co Co-location Offer

<u>Type of NBN Co Co-location Offer</u>	<u>Monthly Recurring Charge, per month*</u>
<u>Lockable full height equipment rack</u>	<u>\$2,000</u>
<u>Lockable half height equipment rack</u>	<u>\$1,200</u>

\* *There is also a one-off establishment charge as set out in clause 3 of this Attachment F.*

### 2 Facilities Access Service Offer

<u>Type of Facilities Access Service</u>	<u>Monthly Recurring Charge, per month*</u>
<u>Cross-Connect</u>	<u>\$0</u>
<u>NBN Co ODF Termination Point</u>	<u>\$0</u>
<u>NBN Co Building Entry Service</u>	<u>\$190 per month, per fibre cable</u>

\* *There is also a one-off establishment charge as set out in clause 3 of this Attachment F.*

### 3 Other Charges – Facilities Access Service

<u>Activity</u>	<u>Charge</u>
<u>Set-up NBN Co Co-location (Lockable Full Height Equipment Rack)</u>	<u>\$1,500 per lockable full height equipment rack</u>
<u>Set-up NBN Co Co-location (Lockable Half Height Equipment Rack)</u>	<u>\$900 per lockable half height equipment rack</u>
<u>Set-up Cross-Connect</u>	<u>\$0 per interface</u>
<u>Set-up NBN Co ODF Termination Point</u>	<u>\$0 per interface</u>
<u>Supply of First Access Card</u>	<u>\$0</u>
<u>Additional / Replacement Access Card (excluding the First Access Card)</u>	<u>\$100 per access card</u>
<u>Additional feasibility study for the NBN Co Building Entry Service</u>	<u>Hourly Labour Rate plus cost of materials</u>
<u>Additional post-installation inspection for the NBN Co Building Entry Service</u>	<u>Hourly Labour Rate plus cost of materials</u>
<u>Missed Appointment (During Business Hours)</u>	<u>\$300 per missed appointment</u>
<u>Missed Appointment (Outside Business Hours)</u>	<u>\$450 per missed appointment</u>
<u>Co-location equipment rack to NBN Co ODF tie cable augmentation</u>	<u>By quotation</u>



Attachment G (Ancillary Services)

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## **Attachment G Ancillary Services**

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### **1 Platform Interfacing Offer**

The Price for the Platform Interfacing Offer is \$0.

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### **2 Sandpit Offer**

The Price for the Sandpit Offer on each NBN Co Network is \$0.

## Attachment H NBN Access Service – Cell Site Access Services

### 1 CSAS Symmetric Access Capacity Offers

<u>AVC TC-1 CIR symmetrical (Mbps)</u>	<u>AVC TC-2 CIR symmetrical (Mbps)</u>	<u>Monthly Recurring Charge, per SIO (Metro and Outer Metro)</u>	<u>Monthly Recurring Charge, per SIO (Regional)</u>
<u>5</u>	<u>50</u>	<u>\$910</u>	<u>\$1,245</u>
<u>5</u>	<u>100</u>	<u>\$1,250</u>	<u>\$1,800</u>
<u>5</u>	<u>150</u>	<u>\$1,500</u>	<u>\$2,235</u>
<u>5</u>	<u>200</u>	<u>\$1,720</u>	<u>\$2,600</u>
<u>5</u>	<u>300</u>	<u>\$2,070</u>	<u>\$3,210</u>
<u>5</u>	<u>500</u>	<u>\$2,550</u>	<u>\$4,200</u>
<u>5</u>	<u>900</u>	<u>\$3,240</u>	<u>\$5,760</u>

### 2 CSAS Network to Network Interface Offers

<u>NNI Product Feature</u>	<u>Monthly Recurring Charge*</u>
<u>1000BaseLX</u>	<u>\$200 per NNI Bearer</u>
<u>10GBaseLR</u>	<u>\$400 per NNI Bearer</u>
<u>1000BaseEX</u>	<u>\$500 per NNI Bearer</u>
<u>10GBaseER</u>	<u>\$1,000 per NNI Bearer</u>

\* There is also a one-off establishment charge as set out in clause 3.1 of this Attachment H.

### 3 Other Charges – Cell Site Access Services

#### 3.1 Installation and activations – CSAS

<u>Activity</u>	<u>Charge per activity</u>
<u>NNI 1000BaseLX Set-up &amp; Activation</u>	<u>\$1,000</u>
<u>NNI 10GBaseLR Set-up &amp; Activation</u>	<u>\$5,000</u>
<u>NNI 1000BaseEX Set-up &amp; Activation</u>	<u>\$7,000</u>
<u>NNI 10GBaseER Set-up &amp; Activation</u>	<u>\$35,000</u>

#### 3.2 Service modification – CSAS

<u>Activity</u>	<u>Charge per activity</u>
<u>Access Component Modification (no attendance at CSAS Point required)</u>	<u>\$0</u>
<u>NNI Modification</u>	<u>\$0</u>
<u>Equipment Modification (attendance at CSAS Point required)</u>	<u>Hourly Labour Rate plus cost of materials</u>
<u>Equipment Removal</u>	<u>Hourly Labour Rate plus cost of materials</u>
<u>Equipment Repair</u>	<u>Hourly Labour Rate plus cost of materials</u>

## Attachment H (NBN Access Service – Cell Site Access Services)

**3.3 Service management – CSAS**

<u>Activity</u>	<u>Charge per activity</u>
<u>On Site Maintenance Call Out</u>	<u>\$0</u>
<u>No Fault Found (No Truck Roll Required)</u>	<u>\$50</u>
<u>No Fault Found (Truck Roll Required)</u>	<u>Hourly Labour Rate charged for a minimum of 2 hours</u>

# Module 3 Post-2032 Regulatory Period



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## **Schedule 3A Introduction and Implementation**

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### **3A.1 Introduction**

#### **3A.1.1 Scope**

This Module 3 applies for the Post-2032 Regulatory Period.

#### **3A.1.2 Overview**

This Module 3:

- (a) sets out certain terms that will govern the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service during the Post-2032 Regulatory Period; and
- (b) sets out general principles for ACCC Replacement Module Determinations for Regulatory Cycles within the Post-2032 Regulatory Period, including that the terms of such determinations must provide NBN Co a reasonable opportunity to earn an Annual Regulated Revenue Allowance, based on an annual building block revenue requirement and on drawing down all of the Real Module 3 ICRA over the Post-2032 Regulatory Period, where the Annual Regulated Revenue Allowance must be set to allow NBN Co a reasonable opportunity to achieve and maintain a stand-alone investment grade credit rating with a stable outlook.

#### **3A.1.3 ACCC Statement of Approach**

- (a) Before the date by which NBN Co must give the ACCC a Replacement Module Application in respect of a Regulatory Cycle within the Post-2032 Regulatory Period (as specified by the ACCC in accordance with clause 5.2(c)), the ACCC may issue a statement setting out the ACCC's proposed approach in relation to the matters set out in clause 3A.1.3(b) in respect of that Regulatory Cycle (ACCC Statement of Approach).
- (b) The ACCC Statement of Approach may:
  - (i) set out proposed approaches in relation to any of the matters referred to in clauses 5.10(a) and 5.10(b);
  - (ii) request that NBN Co include proposals in its Replacement Module Application for the upcoming Regulatory Cycle in respect of matters additional to those required by clauses 5.2(f)(i) to 5.2(f)(iii); and
  - (iii) request that NBN Co provide information with its Replacement Module Application for the upcoming Regulatory Cycle.
- (c) In relation to the first Regulatory Cycle within the Post-2032 Regulatory Period, the ACCC may issue an ACCC Statement of Approach before the Post-2032 Regulatory Period, notwithstanding clause 3A.1.1.

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## **3A.2 Implementation of NBN Access Service, Ancillary Services and Facilities Access Service**

### **3A.2.1 Supply of Product Components and Product Features**

Subject to clause 10, NBN Co will implement its obligations under this Special Access Undertaking in connection with the NBN Access Service by the supply of the Product Components and Product Features on each NBN Co Network.

### **3A.2.2 Supply of Ancillary Services**

Subject to clause 10, NBN Co will implement its obligations under this Special Access Undertaking in connection with the Ancillary Services by the supply of the Ancillary Services.

### **3A.2.3 Supply of the Facilities Access Service**

Subject to clause 10, NBN Co will implement its obligations under this Special Access Undertaking in connection with the Facilities Access Service by the supply of the Facilities Access Service.

### **3A.2.4 Terms and conditions relating to supply of Product Components**

The terms and conditions of clause 1A.4.2 of Module 1 (regarding the supply of an AVC being conditional on acquisition of other specified Product Components) apply in relation to the supply of Product Components in the Post-2032 Regulatory Period.

### **3A.2.5 Continued application of defined terms in Module 1 and Module 2**

Any defined term used in this Module 3 which is defined in Module 1 or Module 2, or by reference to terms and conditions in Module 1 and Module 2, has the same meaning when used in this Module 3, unless expressly provided otherwise.

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## Schedule 3B Principles applying in the Post-2032 Regulatory Period

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### 3B.1 Overview

This Schedule 3B sets out certain terms that will govern the provision of access to the NBN Access Service, the Ancillary Services and the Facilities Access Service during the Post-2032 Regulatory Period.

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### 3B.2 Products and Pricing

#### 3B.2.1 Supply of NBN Offers

(a) Subject to clause 3A.2.4, NBN Co will continue to supply:

- (i) each of the NBN Offers it supplies at the end of the Subsequent Regulatory Period, from the commencement of the Post-2032 Regulatory Period; and
- (ii) each of the NBN Offers introduced by NBN Co during the Post-2032 Regulatory Period in accordance with any rules applicable to NBN Co's development of Products, Product Components, Product Features, Ancillary Services and types of Facilities Access Service (referred to collectively in this clause 3B.2.1 as **Products**, unless the contrary intention appears) for that Regulatory Cycle under an ACCC Replacement Module Determination, from the date that NBN Co first supplies the NBN Offer,

and only withdraw such NBN Offers in accordance with any rules applicable to NBN Co's withdrawal of Products for that Regulatory Cycle under an ACCC Replacement Module Determination.

(b) Clause 3B.2.1(a) does not apply to the withdrawal of an NBN Offer that NBN Co is required by law or a Shareholder Minister to withdraw or which NBN Co is prohibited from providing under section 41(3) of the NBN Companies Act.

(c) In the event of a withdrawal of a Product on the grounds referred to in clause 3B.2.1(b), NBN Co will, to the extent permitted by law and consistent with any temporal requirements for the withdrawal imposed on NBN Co by law or by the Shareholder Minister (as the case may be):

- (i) provide Access Seekers, Consumer Advocacy Groups and the ACCC with written notice of the withdrawal within 20 Business Days of NBN Co being made aware of the requirement to withdraw the Product; and
- (ii) consult with, and consider any feedback received from, Access Seekers, Consumer Advocacy Groups and the ACCC in relation to the impending withdrawal and related issues.

(d) NBN Co may withdraw any Other Charge that applies to an NBN Offer.

#### 3B.2.2 Maximum Prices

(a) If an ACCC Replacement Module Determination in respect of a Regulatory Cycle includes:

- (i) maximum Prices for NBN Offers and Other Charges; and/or
  - (ii) a framework for setting or controlling maximum Prices for NBN Offers and Other Charges,
- then:

## Schedule 3B (Principles applying in the Post-2032 Regulatory Period)

- (iii) the Price for the supply of an NBN Offer at any point in time must not be higher than the maximum Price applicable to that NBN Offer at that point in time under the terms of that ACCC Replacement Module Determination;
- (iv) the Price of an Other Charge at any point in time must not be higher than the maximum Price applicable to that Other Charge at that point in time under the terms of that ACCC Replacement Module Determination.
- (b) Subject to complying with clause 3B.2.2(a), NBN Co will determine the Prices for NBN Offers and Other Charges that NBN Co supplies or applies during the Post-2032 Regulatory Period.
- (c) If an ACCC Replacement Module Determination in respect of a Regulatory Cycle includes rules applicable to the scope, form and publication by NBN Co of tariff lists and pricing roadmaps, NBN Co will publish such tariff lists and pricing roadmaps in accordance with those rules.

**3B.2.3 Service Standards**

- (a) If an ACCC Replacement Module Determination in respect of a Regulatory Cycle includes benchmark service standards relating to the service quality or service performance of the NBN Access Service, Ancillary Services and the Facilities Access Service for that Regulatory Cycle, including any service levels or service performance objectives, and any rebates or corrective action for failure to meet such service levels or service performance objectives, NBN Co will include in the SFAA published in accordance with clause 8, by the relevant date set out in the ACCC Replacement Module Determination and for the remainder of the time that ACCC Replacement Module Determination is in effect, an obligation to meet or exceed service standards which are no less favourable to Access Seekers than the benchmark service standards set out in that ACCC Replacement Module Determination.
- (b) In determining the service standards applicable to the NBN Access Service, Ancillary Services and the Facilities Access Service, NBN Co will comply with clause 3B.2.3(a).

**3B.3 Annual Regulated Revenue Allowance****3B.3.1 General principle in respect of an Annual Regulated Revenue Allowance**

- (a) The terms of, and matters set out in, any Replacement Module Application or ACCC Replacement Module Determination for a Regulatory Cycle within the Post-2032 Regulatory Period must allow NBN Co a reasonable opportunity to earn Revenues in that Regulatory Cycle equal to the sum of the Annual Regulated Revenue Allowance for each Financial Year in that Regulatory Cycle (in terms of net present value).
- (b) The **Annual Regulated Revenue Allowance** for a given Financial Year within a Regulatory Cycle is equal to:

$$\text{Forecast Nominal ABBRR} + \text{Nominal Annual Drawdown of ICRA}$$

where:

- (i) *Forecast Nominal ABBRR* is calculated in accordance with clause 3B.3.2; and
- (ii) *Nominal Annual Drawdown of ICRA* is calculated in accordance with clause 3B.3.6.
- (c) The Annual Regulated Revenue Allowance for a Financial Year within a Regulatory Cycle must be set to allow NBN Co a reasonable opportunity to achieve and maintain, for the duration of that Regulatory Cycle, a stand-alone investment grade credit rating with a stable outlook from one or more of the following established and reputable rating agencies:



## Schedule 3B (Principles applying in the Post-2032 Regulatory Period)

- (i) Moody's;
- (ii) Fitch Ratings; and
- (iii) Standard and Poor's.

*Note: Clause 5.8(b) provides that in making an ACCC Regulatory Module Determination, the ACCC must take into account the matters set out in section 152BCA(1) of the CCA and may take into account any other matters it thinks are relevant.*

**3B.3.2 Forecast Nominal ABBRR Requirements**

(a) For a Financial Year within a Regulatory Cycle, the Forecast Nominal ABBRR must include, at the minimum, the following elements:

- (i) forecast prudent and efficient Operating Expenditure for that Financial Year that an operator in NBN Co's position would incur, including to meet any benchmark service standards included in the ACCC Replacement Module Determination for that Regulatory Cycle;
- (ii) forecast nominal regulatory depreciation for that Financial Year;
- (iii) a return on capital for that Financial Year, calculated by reference to a rate of return and the forecast Nominal RAB at the start of that Financial Year; and
- (iv) a forecast tax allowance for that Financial Year.

(b) The Forecast Nominal ABBRR must be calculated in such a way as to satisfy the NPV=0 expectation as set out in clause 2G.2.4(f).

(c) For the purposes of clause 3B.3.2(a):

- (i) the rate of return will be determined by estimating a nominal vanilla WACC for the Financial Year, commensurate with the efficient financing costs of a benchmark efficient entity with a similar degree of risk as that which applies to NBN Co in providing the NBN Access Service, Ancillary Services and Facilities Access Service, having regard to:
  - (A) the objective of producing reliable estimates of the market cost of capital in a wide range of plausible market conditions; and
  - (B) the objective of promoting stability in the rate of return over time; and
- (ii) the forecast Nominal RAB must be determined in accordance with clauses 3B.3.3 and 3B.3.4.

**3B.3.3 Forecast Real RAB for calculating Forecast Nominal ABBRR**

(a) For the purposes of calculating the Forecast Nominal ABBRR pursuant to clause 3B.3.2, the forecast Real RAB at the start of each Financial Year will be:

- (i) in respect of the first Financial Year of a Regulatory Cycle:
  - (A) the value of the Real RAB at the end of the last Financial Year in the immediately preceding Regulatory Cycle, determined in accordance with clause 3B.4.1:
    - (l) calculated on the basis that an amount of Capital Expenditure, Disposals or depreciation may be estimated for any part of the immediately preceding Regulatory Cycle for which actual values are not available; and

## Schedule 3B (Principles applying in the Post-2032 Regulatory Period)

(ii) adjusted to remove the effect of any difference between the Real RAB at the start of the first Financial Year of the immediately preceding Regulatory Cycle that was determined using any estimated amounts and the Real RAB at the start of the first Financial Year of the immediately preceding Regulatory Cycle as determined using the corresponding actual amounts under:

- a. clause 2G.5.3(a) (in respect of the last Regulatory Cycle within the Subsequent Regulatory Period); and
- b. clause 3B.4.1 (in respect of Regulatory Cycles within the Post-2032 Regulatory Period); and

(ii) in respect of a Financial Year in a Regulatory Cycle other than the first Financial Year of the Regulatory Cycle, forecast according to the following methodology:

$$\begin{aligned} \text{Forecast Real RAB}_t^{\text{start}} &= \text{Forecast Real RAB}_{t-1}^{\text{end}} \\ &= \text{Forecast Real RAB}_{t-1}^{\text{start}} + \text{Forecast Real Capex}_{t-1} \\ &\quad - \text{Forecast Real Disposals}_{t-1} - \text{Forecast Real Depreciation}_{t-1} \end{aligned}$$

where:

t is the Financial Year for which a forecast of the Real RAB at the start of the Financial Year is being calculated.

Forecast Real RAB<sub>t</sub><sup>start</sup> is the forecast Real RAB at the start of the Financial Year (t).

Forecast Real RAB<sub>t-1</sub><sup>end</sup> is the forecast of the Real RAB at the end of the immediately preceding Financial Year (t-1).

Forecast Real RAB<sub>t-1</sub><sup>start</sup> is the forecast of the Real RAB at the start of the immediately preceding Financial Year (t-1).

Forecast Real Capex<sub>t-1</sub> is the forecast of prudent and efficient real Capital Expenditure in connection with the design, engineering, construction, replacement and augmentation of the Relevant Assets for the relevant Financial Year (t-1), including any Capital Expenditure to be incurred pursuant to the Telstra Arrangements or the Optus Arrangements.

Forecast Real Disposals<sub>t-1</sub> is the forecast of the real value of any Disposals of Relevant Assets during the immediately preceding Financial Year (t-1).

Forecast Real Depreciation<sub>t-1</sub> is the forecast of the real value of the depreciation applicable to the opening real value of the Relevant Assets included in the forecast Real RAB in the immediately preceding Financial Year (t-1).

### **3B.3.4 Calculation of forecast Nominal RAB**

For the purposes of calculating the Forecast Nominal ABBRR pursuant to clause 3B.3.2, the forecast Nominal RAB will be the forecast Real RAB adjusted in a manner consistent with the Cumulative Inflation Factor defined in clause 3B.3.6(a)(iii).

### **3B.3.5 Initial Cost Recovery Account**

(a) Subject to clause 3B.3.5(c), the ICRA is \$9,880,113,821.90, measured in Financial Year 2013/14 dollar terms. This amount is equal to the Real Module 2 ICRA (as stated in clause 2G.3.1(b)) plus the Real Module 3 ICRA (as stated in clause 3B.3.5(b)).

## Schedule 3B (Principles applying in the Post-2032 Regulatory Period)

*Note: There is no mechanism in this Special Access Undertaking which allows for the ICRA, the Real Module 2 ICRA or the Real Module 3 ICRA to be increased in the Subsequent Regulatory Period or in the Post-2032 Regulatory Period.*

(b) Subject to clause 3B.3.5(c), the **Real Module 3 ICRA** is \$9,038,317,723.81, measured in Financial Year 2013/14 dollar terms.

(c) On the last day of the SAU Term, the ICRA and the Real Module 3 ICRA will each be \$0.

*Note: The ICRA is established and calculated under this Special Access Undertaking. The provisions of this Special Access Undertaking concerning NBN Co's opportunity to recover the ICRA will have no operational effect after the expiry of this Special Access Undertaking. Nonetheless, for completeness, clause 3B.3.5(c) above has been included to confirm that the ICRA and the Real Module 3 ICRA established under this Special Access Undertaking will be extinguished at the end of the SAU Term.*

### **3B.3.6 Nominal Annual Drawdown of ICRA**

(a) The Nominal Annual Drawdown of ICRA for each Financial Year within a Regulatory Cycle in the Post-2032 Regulatory Period will be determined in accordance with the following formula:

$$\begin{aligned} \text{Nominal Annual Drawdown of ICRA} \\ &= \text{Annual Module 3 ICRA Drawdown Percentage} \times \text{Real Module 3 ICRA} \\ &\times \text{Cumulative Inflation Factor} \end{aligned}$$

where:

(i) the **Annual Module 3 ICRA Drawdown Percentage** is a percentage which:

(A) for each Financial Year (for the purposes of this clause 3B.3.6(a)(i)(A), a **Given Financial Year**) from Financial Year 2032/33 to Financial Year 2038/39 (inclusive), cannot be more than the following: 100% minus the sum of the Annual Module 3 ICRA Drawdown Percentages for the Financial Years preceding the Given Financial Year; and

(B) for Financial Year 2039/40, is 100% minus the sum of the Annual Module 3 ICRA Drawdown Percentages for the Financial Years 2032/33 to 2038/39;

*Note: The effect of this clause 3B.3.6(a)(i) is that the sum of the Annual Module 3 ICRA Drawdown Percentages for the Financial Years in the Post-2032 Regulatory Period will be 100%.*

(ii) the Real Module 3 ICRA is determined in accordance with clause 3B.3.5(b); and

(iii) the **Cumulative Inflation Factor** is a factor which is the cumulative product of inflation for each Financial Year from Financial Year 2013/14 to the relevant Financial Year to which the Nominal Annual Drawdown of ICRA relates, where the Cumulative Inflation Factor for Financial Years up to 2031/32 will be the same values as determined for those Financial Years (respectively) pursuant to clauses 1E.8.4(b) and 2G.1.4, and where the Cumulative Inflation Factor for Financial Years in the Post-2032 Regulatory Period will use estimates of inflation expectations.

*Note: Clause 5.8(b) provides that in making an ACCC Regulatory Module Determination, the ACCC must take into account the matters set out in section 152BCA(1) of the CCA and may take into account any other matters it thinks are relevant.*

## **3B.4 Regulatory Asset Base**

### **3B.4.1 Real RAB in respect of a Regulatory Cycle in the Post-2032 Regulatory Period**

- (a) The Real RAB at the commencement of a Regulatory Cycle in the Post-2032 Regulatory Period (including the first Regulatory Cycle of the Post-2032 Regulatory Period) will be equal to the Real RAB at the end of the immediately preceding Regulatory Cycle, calculated by rolling forward the Real RAB at the commencement of that immediately preceding Regulatory Cycle for each Financial Year (t) within the Regulatory Cycle using the following methodology:

$$\begin{aligned} \text{Real RAB}_t^{\text{start}} &= \text{Real RAB}_{t-1}^{\text{end}} \\ &= \text{Real RAB}_{t-1}^{\text{start}} + \text{Real Capex}_{t-1} - \text{Real Disposals}_{t-1} - \text{Real Depreciation}_{t-1} \end{aligned}$$

where:

t is the Financial Year for which the Real RAB is being calculated.

Real RAB<sub>t</sub><sup>start</sup> is the Real RAB at the start of the Financial Year (t).

Real RAB<sub>t-1</sub><sup>end</sup> is the Real RAB at the end of the immediately preceding Financial Year (t-1).

Real Capex<sub>t-1</sub> is the prudent and efficient real Capital Expenditure during the immediately preceding Financial Year (t-1).

Real Disposals<sub>t-1</sub> is the real value of any Disposals of Relevant Assets during the immediately preceding Financial Year (t-1).

Real Depreciation<sub>t-1</sub> is the real value of the depreciation applicable to the opening value of the Relevant Assets included in the RAB at the start of the immediately preceding Financial Year (t-1).

- (b) For the purposes of determining the Real RAB at the commencement of the first Regulatory Cycle of the Post-2032 Regulatory Period, the:
- (i) Real RAB at the start of the last Regulatory Cycle in the Subsequent Regulatory Period will be calculated in accordance with clause 2G.5.3, notwithstanding clause 2G.1.1; and
  - (ii) real value of Capital Expenditure, Disposals and depreciation for each Financial Year of the last Regulatory Cycle in the Subsequent Regulatory Period will be the values determined in the ACCC Replacement Module Determination for the first Regulatory Cycle of the Post-2032 Regulatory Period and determined in accordance with clause 2G.5.10 (where references in that clause to the 'Previous Regulatory Cycle' will be references to the last Regulatory Cycle in the Subsequent Regulatory Period), notwithstanding clause 2G.1.1.

# Module 4 Additional Terms for First Regulatory Cycle



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## **Schedule 4A Overview of Module 4 and key non-price terms**

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### **4A.1 General**

This Module 4 applies for the First Regulatory Cycle.

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### **4A.2 Standard Form of Access Agreement**

NBN Co will ensure that any SFAA that is published includes an expiry date which results in the term of the SFAA upon publication being of a duration that is no longer than the duration of this Regulatory Cycle plus a period of 3 months. For clarity, this does not preclude NBN Co publishing any SFAA which includes the option of the parties to an Access Agreement agreeing to extend the term of that Access Agreement beyond such expiry date.

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### **4A.3 Benchmark Service Standards**

- (a) The Benchmark Service Standards for the First Regulatory Cycle are set out in Attachment I (Benchmark Service Standards for First Regulatory Cycle).
- (b) Where the Benchmark Service Standards in Attachment I (Benchmark Service Standards for First Regulatory Cycle) include provisions that:
- (i) use capitalised terms which are not defined in Attachment I (Benchmark Service Standards for First Regulatory Cycle), such capitalised terms have the meanings given to them in the SFAA published in accordance with clause 8 as at 22 November 2022; and
  - (ii) otherwise refer to other provisions which are not set out in Attachment I (Benchmark Service Standards for First Regulatory Cycle), those other provisions do not form part of the Benchmark Service Standards.
- (c) For the First Regulatory Cycle, the date by which NBN Co will include in the SFAA published in accordance with clause 8, an obligation to meet or exceed Service Standards which are no less favourable to Access Seekers than the Benchmark Service Standards set out in Attachment I (Benchmark Service Standards for First Regulatory Cycle) is:
- (i) for the “Performance Objective for Utilisation Management” and “Utilisation Threshold Reports”, the Price Transition Date; and
  - (ii) for all other Benchmark Service Standards set out in in Attachment I (Benchmark Service Standards for First Regulatory Cycle), 1 July 2023.
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### **4A.4 Entry Level Offers**

For the First Regulatory Cycle, the Entry Level Offers are, in respect of the NBN Co Fibre Network, NBN Co FTTN Network, NBN Co FTTB Network, NBN Co FTTC Network, NBN Co HFC Network and the NBN Co Wireless Network, the Bundled TC-4 Offer with an AVC bandwidth profile of 25 Mbps PIR (TC-4) downlink and 5 Mbps PIR (TC-4) uplink.

## Attachment I Benchmark Service Standards for First Regulatory Cycle

### Part A: Service Levels

*Section 1 sets out the Service Levels, Performance Objectives and Connection Rebates that **nbn** offers for End User Connections. See section 20 for rules of interpretation that apply to these Service Levels and Performance Objectives.*

#### 1. End User Connections

##### 1.1 Service Levels for End User Connections

(a) The Service Levels for Standard Connections from the time of Order Acknowledgement for **nbn**® Ethernet are:

Network	Service Class	Location of Premises and Service Level (Business Days)				
		Urban Area	Major Rural Area or Minor Rural Area	Remote Area	Isolated Area	Limited Access Area
Fibre Network	Service Class 0	N/A	N/A	N/A	N/A	N/A
	Service Class 1	14	19	19	N/A	N/A
	Service Class 2	9	14	19	N/A	N/A
	Service Class 3	1	1	1	N/A	N/A
Wireless Network	Service Class 4	N/A	N/A	N/A	N/A	N/A
	Service Class 5	9	14	19	N/A	N/A
	Service Class 6	1	1	1	N/A	N/A
Satellite Network	Service Class 7 <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
	Service Class 8	20	20	20	35	N/A
	Service Class 9	1	1	1	1	1
FTTB Network and FTTN Network	Service Class 10	N/A	N/A	N/A	N/A	N/A
	Service Class 11 <sup>2</sup>	14	19	19	N/A	N/A
	Service Class 12	9	14	19	N/A	N/A
	Service Class 13	1	1	1	N/A	N/A
HFC Network	Service Class 20	N/A	N/A	N/A	N/A	N/A
	Service Class 21	14	N/A	N/A	N/A	N/A
	Service Class	9	N/A	N/A	N/A	N/A

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Network	Service Class	Location of Premises and Service Level (Business Days)				
		Urban Area	Major Rural Area or Minor Rural Area	Remote Area	Isolated Area	Limited Access Area
	<u>22</u>					
	<u>Service Class 23</u>	<u>9</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>Service Class 24</u>	<u>1</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
FTTC Network	<u>Service Class 30</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>Service Class 31</u>	<u>14</u>	<u>19</u>	<u>19</u>	<u>N/A</u>	<u>N/A</u>
	<u>Service Class 32</u>	<u>9</u>	<u>14</u>	<u>19</u>	<u>N/A</u>	<u>N/A</u>
	<u>Service Class 33</u>	<u>9</u>	<u>14</u>	<u>19</u>	<u>N/A</u>	<u>N/A</u>
	<u>Service Class 34 (FTTC-NCD Shortfall)<sup>3</sup></u>	<u>9</u>	<u>14</u>	<u>19</u>	<u>N/A</u>	<u>N/A</u>
	<u>Service Class 34<sup>4</sup></u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>N/A</u>	<u>N/A</u>

**Notes:**

<sup>1</sup> Service Class 7 does not specifically relate to the Satellite Network. See the Dictionary for further details.

<sup>2</sup> Service Class 11 is not applicable to nbn<sup>®</sup> Ethernet (FTTB).

<sup>3</sup> Applies to a Standard Connection at a Service Class 34 Premises in respect of which an FTTC-NCD Shortfall applies.

<sup>4</sup> Applies to a Standard Connection at a Service Class 34 Premises in respect of which an FTTC-NCD Shortfall does not apply.

(b) The Service Levels for Priority Assistance Connections in respect of Service Class 3, 13, 24 and 34 (in respect of which no FTTC-NCD Shortfall applies) Premises and Accelerated Connections in respect of Service Class 1, 2, 11, 12, 21, 22, 23, 31, 32, 33 and 34 (in respect of which an FTTC-NCD Shortfall applies) Premises, from the time of Order Acknowledgement are:

Location of Premises	Priority Assistance Connection (hours) (Service Class 3, 13, 24 and 34 <sup>2</sup> Premises only)	Accelerated Connection (Business Days) (Service Class 1, 2, 11, 12, 21, 22, 23, 31, 32 and 33, 34 (FTTC-NCD Shortfall) <sup>1</sup> Premises only)
<u>Urban Area</u>	<u>24</u>	<u>4</u>
<u>Major Rural Area<sup>1</sup></u>	<u>24</u>	<u>9</u>
<u>Minor Rural Area<sup>1</sup></u>	<u>24</u>	<u>14</u>
<u>Remote Area<sup>1</sup></u>	<u>48</u>	<u>N/A</u>



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**Notes:**

<sup>1</sup> No Premises served by the HFC Network will be located in an area other than an Urban Area.

<sup>2</sup> Applicable only to a Service Class 34 Premises in respect of which an FTTC-NCD Shortfall does not apply.

<sup>3</sup> Applicable only to a Service Class 34 Premises in respect of which an FTTC-NCD Shortfall applies.

(c) The Service Levels for Service Transfer Orders from the time of Order Acknowledgement are:

Activity	Service Level (Business Days)
Completion of Service Transfer Order	<u>1</u>

## 1.2 Performance Objectives

(a) nbn will aim to achieve the following Performance Objectives in connection with the Service Levels set out in this section:

Relevant Service Level	Performance Objective
Standard Connections	<u>90% or more</u>
Accelerated Connections	<u>90% or more</u>
Service Transfer Orders	<u>95% or more</u>
Priority Assistance Connections	<u>100%</u>

(b) Each Performance Objective in this section 1.2 is measured based on the total number of the relevant category of End User Connections or Service Transfer Orders (as the case may be) completed in accordance with the relevant Service Level for all of nbn's retail service providers each month.

## 1.3 Conditions

(a) RSP must maintain and retain up-to-date and accurate records, materials, documents and correspondence relevant to each Accelerated Connection and Priority Assistance Connection that RSP orders in each CSA during each month and, on request, provide nbn with access to such information.

(b) The Service Levels for End User Connections do not apply where RSP has failed to comply with the order process set out in Module 4 of the WBA Operations Manual.

(c) Without limiting the application of the rule in section 20.6, the Service Levels for End User Connections are the Service Levels that apply at the time of Order Acknowledgement of the relevant Connect Order.

(d) If RSP orders a Standard Connection including the Battery Backup Service for a Service Class 3 Premises with a Power Supply (Standard) installed, the Service Levels for Service Class 2 Premises apply to that Standard Connection.

**Note:** Alternatively, RSP may place a Connect Order without the Battery Backup Service and then place a Modify Order to add the Battery Backup Service (as set out in Module 4 of the WBA Operations Manual) and the Service Levels in section 11 will apply to the Modify Order.

(e) If RSP places an order for a Priority Assistance Connection at a Service Class 1, Service Class 2, Service Class 11, Service Class 12, Service Class 21, Service Class 22, Service Class 23, Service Class 31, Service Class 32, Service Class 33 or Service Class 34 (in respect of which

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an FTTC-NCD Shortfall applies) Premises, it will be treated as either an Accelerated Connection order (if it is an Inactive Premises) or a Standard Connection order (if it is not an Inactive Premises) in accordance with Module 4 of the WBA Operations Manual, and the Service Levels for that type of order will apply.

(f) If RSP places an order for an Accelerated Connection at a Service Class 3, Service Class 13, Service Class 24 or Service Class 34 (in respect of which an FTTC-NCD Shortfall does not apply) Premises, it will be treated as an order for a Standard Connection in accordance with Module 4 of the WBA Operations Manual, and the relevant Standard Connection Service Levels (including the Service Levels specified in section 1.3(d) where applicable) will apply to the order.

(g) If RSP orders a Standard Connection for a Service Class 34 Premises in respect of which an FTTC-NCD Shortfall applies, the Service Levels for Service Class 34 (FTTC-NCD Shortfall) will apply to that Standard Connection.

#### 1.4 Connection Rebate

(a) **nbn** will provide RSP with a Connection Rebate for each End User Connection for an **nbn**<sup>®</sup> Ethernet Ordered Product (except for End User Connections in Limited Access Areas) performed by **nbn**, which **nbn** fails to perform in accordance with the applicable Service Level.

(b) Subject to sections 1.4(c) to 1.4(d), the amount of each Connection Rebate will be calculated as follows, capped at a maximum of 30 Rebate Days:

(i) \$7.50 per Rebate Day for any End User Connection other than a Priority Assistance Connection; and

(ii) \$10 per Rebate Day for any Priority Assistance Connection.

(c) If **nbn** is liable to RSP for CSG Compensation or under section 118A of the TCPSS Act in connection with any End User Connection, **nbn** may:

(i) reduce the amount of any future Connection Rebates that are or become payable to RSP; and

(ii) by giving notice, require RSP to repay any previous Connection Rebates paid to RSP, up to an amount equal to the total of **nbn**'s liability to RSP for CSG Compensation and under section 118A of the TCPSS Act in connection with End User Connections.

(d) If **nbn** is Liable, as a result of a Material Service Failure, to pay damages to RSP in connection with an End User Connection for an Ordered Product in respect of which **nbn** has previously paid a Connection Rebate to RSP:

(i) the amount of the Connection Rebate that **nbn** paid to RSP in respect of that particular Ordered Product will cease to be a Connection Rebate for the purposes of Module E of the Head Terms;

(ii) that amount will be deemed to have been paid in satisfaction of any Liability in connection with that Ordered Product to which clause E1.3(a) of the Head Terms applies; and

(iii) for the avoidance of doubt, **nbn** will have no further Liability to RSP under this section 1.4 in respect of that End User Connection for that Ordered Product.

(e) **nbn** will pay Connection Rebates (if any) to RSP by applying them to the RSP Billing Account in accordance with section 8.5.1.5 of the WBA Operations Manual.

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(f) RSP must take reasonable steps to ensure that, for each Connection Rebate provided to RSP under this section 1.4, the relevant Affected End User receives a fair value benefit (in monetary or other form) of that Connection Rebate.

### 1.5 Failed Connection Rebate

(a) Subject to section 1.5(b), nbn will provide RSP with a Failed Connection Rebate for each nbn<sup>®</sup> Ethernet Ordered Product:

(i) for which nbn accepted a Service Fault Trouble Ticket within 20 Business Days of completing the End User Connection for the Ordered Product; and

(ii) that was continuously incapable of being used to receive or transmit data from the time the End User Connection was completed until that Service Fault Trouble Ticket was accepted.

(b) Subject to sections 1.5(e) to 1.5(f), the amount of each Failed Connection Rebate for an nbn<sup>®</sup> Ethernet Ordered Product will be equal to the recurring Charges payable (after the application of any other Discount, Credit, Rebate or Waiver) for the AVC and UNI Product Components of that Ordered Product, and for any associated Inclusions, during the Failed Connection Period, calculated on a daily pro-rated basis.

(c) **Failed Connection Period** means, in respect of an nbn<sup>®</sup> Ethernet Ordered Product to which a Failed Connection Rebate applies, the period that:

(i) starts on the Ready for Use Date for that Ordered Product; and

(ii) ends when the relevant End User Fault is rectified.

(d) A Failed Connection Rebate will not be payable until the relevant End User Fault is rectified.

(e) Failed Connection Rebates do not apply in connection with End User Faults which are closed on the basis that they are External Faults or End User Faults to which Service Levels do not apply in accordance with this nbn<sup>®</sup> Ethernet Service Levels Schedule, including section 8.6.

(f) If nbn is Liable, as a result of a Material Service Failure, to pay damages to RSP in connection with an End User Fault in respect of which nbn has previously paid a Failed Connection Rebate to RSP:

(i) the amount of the Failed Connection Rebate that nbn paid to RSP in connection with that particular End User Fault will cease to be a Failed Connection Rebate for the purposes of Module E of the Head Terms;

(ii) that amount will be deemed to have been paid in satisfaction of any Liability in connection with that End User Fault to which clause E1.3(a) of the Head Terms applies; and

(iii) for the avoidance of doubt, nbn will have no further Liability to RSP under this section 1.5 in connection with that End User Fault.

(g) nbn will pay Failed Connection Rebates (if any) to RSP by applying them to the RSP Billing Account in accordance with section 8.5.1.5 of the WBA Operations Manual.

(h) If measurement is suspended under section 20.1(d) for any Service Level or Performance Objective that applies to a Service Fault Trouble Ticket related to a Failed Connection Rebate, then despite section 20.1(d), that suspension will not suspend the accrual of that Failed Connection Rebate.

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Section 2 sets out the Service Levels, Performance Objectives and Missed Connection Appointment Rebates that **nbn** offers for End User Connection Appointments. See section 20 for rules of interpretation that apply to these Service Levels and Performance Objectives.

## 2. End User Connection Appointments

### 2.1 Service Levels for End User Connection

The Service Levels for Appointments to attend a Premises made by RSP and confirmed by **nbn** for End User Connections, Network Activities performed in relation to End User Connections are:

<u>Appointment window</u>	<u>Service Level</u>
<u>Attend a Premises at a particular time</u>	<u>Attend Premises at that time or within 15 minutes thereafter</u>
<u>Attend a Premises within a 4 hour period</u>	<u>Attend Premises within the period or within 15 minutes thereafter</u>
<u>Attend a Premises in a Major Rural Area within a period of between 4 and 5 hours</u>	<u>Attend Premises within the period</u>
<u>Attend a Premises in a Minor Rural Area, Remote Area, Isolated Area or Limited Access Area within a period of between 4 and 5 hours</u>	<u>Attend Premises within the period or within 45 minutes thereafter</u>

### 2.2 Performance Objectives

(a) **nbn** will aim to achieve the following Performance Objectives in connection with the Service Levels set out in this section:

<u>Commitment</u>	<u>Performance Objective</u>
<u>Actual Appointments (excluding any initial Actual Appointments that were previously rescheduled) kept in accordance with the Service Levels</u>	<u>90% or more</u>
<u>Initial Actual Appointments rescheduled</u>	<u>5% or less</u>
<u>Initial Actual Appointments that were previously rescheduled kept in accordance with the Service Levels</u>	<u>95% or more</u>

(b) Each Performance Objective in this section 2.2 is measured based on the total number of Actual Appointments kept or rescheduled (as the case may be) for all of **nbn**'s retail service providers each month.

### 2.3 Conditions

(a) **nbn** may change the Appointment window for any Appointment where the Appointment Representative is required to be in attendance at the Premises:

- (i) by giving RSP at least 26 hours' notice;
- (ii) by obtaining the agreement of the Appointment Representative; or
- (iii) in respect of End User Connections related to the Satellite Network, without limiting sections 2.3(a)(i) or 2.3(a)(ii), where permitted by the WBA Operations Manual,

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prior to the commencement of the Appointment window. The Service Levels will then only apply to the changed Appointment window.

*Note: When RSP reserves an Appointment in respect of the nbn® Ethernet (Satellite), RSP is reserving installation capacity (that is, the reserved Appointment may not be the date that the Appointment will occur). nbn will contact the Appointment Representative to schedule the Actual Appointment in accordance with the WBA Operations Manual.*

- (b) For the purposes of this section 2, the term "rescheduled" means an Actual Appointment that must be rescheduled due to a failure or inability of nbn to attend a Premises within the Service Levels but does not include an Appointment that is:
- (i) changed as permitted under section 2.3(a); or
  - (ii) rescheduled due to circumstances beyond nbn's reasonable control, including where nbn's failure or inability to attend an Appointment is caused or contributed to by RSP, a Downstream Service Provider, a Contracted End User or other End User.
- (c) The Service Levels and Performance Objectives in this section 2 do not apply where Appointment Representative was not at the Premises for the initial Actual Appointment.

## 2.4 Missed Connection Appointment Rebate

- (a) nbn will provide a Missed Connection Appointment Rebate to RSP in respect of each Actual Appointment to attend a Premises for an End User Connection (other than a Co-ordinated Appointment) that is made by RSP and confirmed by nbn, which nbn does not attend in accordance with the applicable Service Level.
- (b) Subject to sections 2.4(c) to 2.4(d), the amount of each Missed Connection Appointment Rebate will be as follows:
- (i) \$50 for each First Missed Connection Appointment; and
  - (ii) \$75 for each Subsequent Missed Connection Appointment.

where:

**Missed Connection Appointment** means an Actual Appointment that nbn does not attend in accordance with the applicable Service Level;

**First Missed Connection Appointment** means a Missed Connection Appointment in respect of an End User Connection, for which there has been no previous Missed Connection Appointment;

**Subsequent Missed Connection Appointment** means a Missed Connection Appointment in respect of an End User Connection, for which there has been one or more previous Missed Connection Appointments; and

- (c) The amount of any Missed Connection Appointment Rebate will be reduced by 50% if:
- (i) nbn attends the relevant Premises on the day of the relevant Actual Appointment; and
  - (ii) the Appointment Representative consents (either prior to, or at the time of, nbn's attendance) to nbn performing the End User Connection at a time other than the required time under the Service Level for the Actual Appointment.
- (d) If nbn is liable to RSP for CSG Compensation or under section 118A of the TCPSS Act in connection with any Actual Appointment, nbn may:
- (i) reduce the amount of any future Missed Connection Appointment Rebates that are or become payable to RSP; and

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(ii) by giving notice, require RSP to repay any previous Missed Connection Appointment Rebates paid to RSP,

up to an amount equal to the total of nbn's liability to RSP for CSG Compensation and under section 118A of the TCPSS Act in connection with Actual Appointments.

(e) nbn will pay Missed Connection Appointment Rebates (if any) by applying them to the RSP Billing Account in accordance with section 8.5.1.5 of the WBA Operations Manual.

(f) RSP must take reasonable steps to ensure that, for each Missed Connection Appointment Rebate provided to RSP under this section 2.4, an equal amount is paid or credited to the relevant Affected End User.

## 2.5 Co-ordinated Appointment Rebate

(a) A Co-ordinated Appointment Rebate may be payable in relation to a Co-ordinated Appointment to attend a Premises for a Standard Connection made by RSP and confirmed by nbn.

(b) nbn will provide RSP with a Co-ordinated Appointment Rebate if RSP makes and nbn confirms a Co-ordinated Appointment to attend a Premises for a Standard Connection and nbn does not attend the Co-ordinated Appointment within the Service Level for attending the Co-ordinated Appointment.

(c) The amount of a Co-ordinated Appointment Rebate under section 2.5(a) will be equal to the Charge for the relevant Co-ordinated Appointment.

(d) nbn will pay the Co-ordinated Appointment Rebate by applying it to RSP's invoice in accordance with section 8.5 of the WBA Operations Manual.

*Section 3 sets out the Service Levels and Performance Objectives that nbn offers for Activations. See section 20 for rules of interpretation that apply to these Service Levels and Performance Objectives.*

## 3. Activations

### 3.1 Service Levels for Activations

The Service Levels for Activations from the time of Order Acknowledgement are:

<u>Activity</u>	<u>Service Level (Business Days)</u>
<u>CVC Activation</u>	<u>5</u>
<u>NNI Group Activation</u>	<u>15</u>
<u>NNI Link Activation</u>	<u>15</u>
<u>V-NNI Activation</u>	<u>15</u>

### 3.2 Performance Objectives

(a) nbn will aim to achieve the following Performance Objectives in connection with the Service Levels set out in this section:

<u>Relevant Service Level</u>	<u>Performance Objective</u>
<u>CVC Activation</u>	<u>90% or more</u>
<u>NNI Group Activation</u>	<u>90% or more</u>
<u>NNI Link Activation</u>	<u>90% or more</u>

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Relevant Service Level	Performance Objective
V-NNI Activation	90% or more

(b) Each Performance Objective in this section 3.2 is measured based on the total number of all Activations (in the relevant category) completed in accordance with the relevant Service Level for all of **nbn**'s retail service providers each month.

*Section 4 sets out the Performance Objectives that **nbn** offers for Completion Advices. See section 20 for rules of interpretation that apply to these Performance Objectives.*

## 4. Completion Advices

### 4.1 Performance Objectives

(a) **nbn** will aim to achieve the following Performance Objectives in respect of End User Connections for **nbn**<sup>®</sup> Ethernet (FTTB) or **nbn**<sup>®</sup> Ethernet (FTTN):

Activity	Performance Objective
Completion Advices delivered within 15 minutes from the time of completion of the End User Connection	85% or more
Completion Advices delivered within 1 hour from the time of completion of the End User Connection	95% or more
Completion Advices delivered by 5:00pm on the next Business Day after the time of completion of the End User Connection	99% or more

(b) Each Performance Objective in this section 4.1 is measured based on the total number of all Completion Advices delivered by **nbn** for all of **nbn**'s retail service providers each month in respect of **nbn**<sup>®</sup> Ethernet (FTTB) or **nbn**<sup>®</sup> Ethernet (FTTN).

### 4.2 Performance Objectives for Service Transfer Orders

(a) **nbn** will aim to achieve the following Performance Objectives in respect of Service Transfer Orders:

Activity	Performance Objective
Completion Advices delivered within 15 minutes from the time of completion of the service transfer	95% or more
Completion Advices delivered within 1 hour from the time of completion of the service transfer	99% or more

(b) Each Performance Objective in this section 4.2 is measured based on the total number of service transfers performed for all of **nbn**'s retail service providers each month.

Section 5 sets out the Rebates that **nbn** offers for Network Activities. See section 20 for rules of interpretation that apply to these Rebates.

## 5. PIR Objective

### 5.1 PIR Objective Rebate

- (a) Subject to section 5.1(b), **nbn** will provide RSP with a PIR Objective Rebate for each PIR Affected Billing Period for each **nbn**<sup>®</sup> Ethernet (FTTB), **nbn**<sup>®</sup> Ethernet (FTTN) or **nbn**<sup>®</sup> Ethernet (FTTC) AVC TC-4 Ordered Product Component that:
- (i) is not capable of achieving its PIR Objective; and
  - (ii) is designated for a Network Activity by **nbn**.
- (b) A PIR Objective Rebate will not apply to an **nbn**<sup>®</sup> Ethernet (FTTC) Ordered Product with an AVC TC-4 bandwidth profile of 25 Mbps PIR (TC-4) downstream and 10 Mbps PIR (TC-4) upstream or higher, unless the Line Rate at the **nbn**<sup>®</sup> Downstream Network Boundary in respect of the relevant Premises is not capable of achieving the provision of an AVC TC-4 bandwidth profile of 25 Mbps PIR (TC-4) downstream and 5 Mbps PIR (TC-4) upstream.
- (c) **PIR Affected Billing Period** means, in respect of an AVC TC-4 Ordered Product Component designated for a Network Activity by **nbn** because it is not capable of achieving its PIR Objective:
- (i) either:
    - (A) where **nbn** has designated that the Network Activity will occur under a Prior WBA, the Billing Period in which the Start Date occurs; or
    - (B) where **nbn** has designated that the Network Activity will occur under this Agreement, the Billing Period in which **nbn** acknowledges a Trouble Ticket that gives rise to the designated Network Activity; and
  - (ii) each subsequent Billing Period up to (and including) the Billing Period in which the designated Network Activity is completed.
- (d) The amount of the PIR Objective Rebate provided for a PIR Affected Billing Period will be as follows:
- (i) \$10 for each of the first three consecutive PIR Affected Billing Periods;
  - (ii) \$15 for each of the fourth, fifth and sixth consecutive PIR Affected Billing Periods; and
  - (iii) \$20 for each subsequent consecutive PIR Affected Billing Period.
- (e) **nbn** will pay the PIR Objective Rebate (if any) to RSP by applying it to the RSP Billing Account in accordance with section 8.5.1.5 of the WBA Operations Manual.
- (f) RSP must take reasonable steps to ensure that, for each PIR Objective Rebate provided to RSP under this section 5.1, the relevant Affected End User receives a fair value benefit (in monetary or other form) of that PIR Objective Rebate.

### 5.2 Conditions

If measurement is suspended for any Service Level or Performance Objective that applies to any order or Trouble Ticket associated with a Network Activity, despite section 20.1(d), that suspension will not suspend the accrual of any PIR Objective Rebate.



Section 6 sets out the Performance Objective that **nbn** offers for Interference Mitigation. See section 20 for rules of interpretation that apply to this Performance Objective.

## 6. Interference Mitigation

### 6.1 Performance Objective for Interference Mitigation

(a) **nbn** will aim to achieve the following Performance Objective in respect of Interference Mitigation Solutions:

<u>Activity</u>	<u>Performance Objective</u>
<u>Interference Mitigation Solution completed on or before the notified Estimated Interference Mitigation Date</u>	<u>90% or more</u>

(b) The Performance Objective in this section 6 is measured based on the total number of all Interference Mitigation Solutions completed by **nbn** for all of **nbn**'s retail service providers each month.

### 6.2 Conditions

If measurement is suspended for any Service Level or Performance Objective that applies to any Trouble Ticket associated with Interference Mitigation:

- (a) if that suspension is due to a 'Held' Status applied to the Trouble Ticket for **nbn** to perform Interference Mitigation, then despite section 20.1(d)(iii), that suspension will not suspend the measurement of any Performance Objective under this section 6; and
- (b) except as set out in section 6.2(a), the measurement of the Performance Objective in this section 6 will be suspended for the same period that measurement is suspended for the Trouble Ticket.

Section 7 sets out the Service Levels and Performance Objective that **nbn** offers in relation to its Trouble Ticket management processes.

## 7. Trouble Ticket management

### 7.1 Service Levels for Trouble Ticket management

- (a) The Service Level to send either an Accepted Notification or a More Information Required Notification is 2 hours from the time of Trouble Ticket Acknowledgement.
- (b) The Service Level to confirm whether or not RSP has fully complied with a More Information Required Notification is 2 hours from the time RSP notifies **nbn** that RSP believes it has complied with that More Information Required Notification.
- (c) The Service Level to respond to a "No – Trouble Ticket is Not Resolved Notification" is 2 hours from the time **nbn** receives that "No – Trouble Ticket is Not Resolved Notification".

### 7.2 Performance Objective

(a) **nbn** will aim to achieve the following Performance Objective in connection with the Service Levels set out in this section:

<u>Activity</u>	<u>End User Faults</u>
<u>Trouble Ticket management Activities referred</u>	<u>90% or more</u>

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Activity	End User Faults
<u>to in section 7.1 performed in accordance with the relevant Service Levels</u>	

(b) The Performance Objective in this section 7.2 is measured based on the total number of all Trouble Ticket management Activities referred to in section 7.1 performed by **nbn** for all of **nbn**'s retail service providers each month.

### 7.3 Conditions

(a) The Service Levels and Performance Objective in this section 7 do not apply in respect of Enhanced Fault rectifications, Priority Assistance Fault rectifications, Priority Assistance Incident rectifications or any Trouble Ticket that is flagged for Dispute Validation in accordance with the WBA Operations Manual.

(b) Section 20.1(d) does not apply to the Service Levels or Performance Objective in this section 7.

(c) On and from the Dispute Validation Availability Date, despite sections 8.1 and 9.1, the measurement of each End User Fault rectification and End User Incident rectification Service Level will commence from the time of Trouble Ticket Acknowledgement in each of the following circumstances:

(i) where a Trouble Ticket is flagged for Dispute Validation in accordance with the WBA Operations Manual and **nbn** agrees with RSP's dispute; and

(ii) such other circumstances as notified by **nbn** from time to time.

Section 8 sets out the Service Levels, Performance Objectives and Service Fault Rebates that **nbn** offers for Service Fault rectification (other than Enhanced Fault rectification). See section 20 for rules of interpretation that apply to these Service Levels and Performance Objectives.

## 8. Service Fault rectification

### 8.1 Service Levels for End User Fault rectification

The Service Levels for rectification of End User Faults from the time of Service Fault Trouble Ticket Acceptance (or Trouble Ticket Acknowledgement if section 7.3(c) applies) are:

Location of Premises	End User Fault rectification Service Level by <b>nbn</b> 's Network	
	Fibre Network, FTTB Network, FTTN Network, FTTC Network, HFC Network <sup>1</sup> and Wireless Network	Satellite Network
<u>Urban Area and other locations where End User Fault does not require external or internal plant work or <b>nbn</b> attendance at Premises</u>	<u>5:00pm next Business Day</u>	<u>5:00pm next Business Day<sup>2</sup></u> <u>5:00pm third Business Day<sup>3</sup></u>
<u>Major Rural Area or Minor Rural Area where End User Fault requires external or internal plant work or <b>nbn</b> attendance at Premises</u>	<u>5:00pm second Business Day</u>	<u>5:00pm third Business Day</u>

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Location of Premises	End User Fault rectification Service Level by nbn <sup>®</sup> Network	
	Fibre Network, FTTB Network, FTTN Network, FTTC Network, HFC Network <sup>1</sup> and Wireless Network	Satellite Network
Remote Area where End User Fault requires external or internal plant work or <b>nbn</b> attendance at Premises	5:00pm third Business Day	5:00pm fourth Business Day
Isolated Area where End User Fault requires external or internal plant work or <b>nbn</b> attendance at Premises	N/A	5:00pm tenth Business Day
Limited Access Area where End User Fault requires external or internal plant work or <b>nbn</b> attendance at Premises	N/A	N/A

**Notes:**

<sup>1</sup> No Premises served by the HFC Network will be located in an area other than an Urban Area.

<sup>2</sup> Applies to a location (including an Urban Area) where the End User Fault does not require external or internal plant work or **nbn** attendance at Premises.

<sup>3</sup> Applies to an Urban Area only where the End User Fault requires external or internal plant work or **nbn** attendance at Premises.

## 8.2 Service Levels for Priority Assistance Fault rectification

The Service Levels for rectification of Priority Assistance Faults from the time of Service Fault Trouble Ticket Acknowledgement are:

Location of Premises	Priority Assistance Fault rectification Service Levels (hours)
Urban Area, Major Rural Area or Minor Rural Area.	24
Remote Area where Priority Assistance Fault does not require external or internal plant work or <b>nbn</b> attendance at Premises	
Remote Area where Priority Assistance Fault requires external or internal plant work or <b>nbn</b> attendance at Premises	48

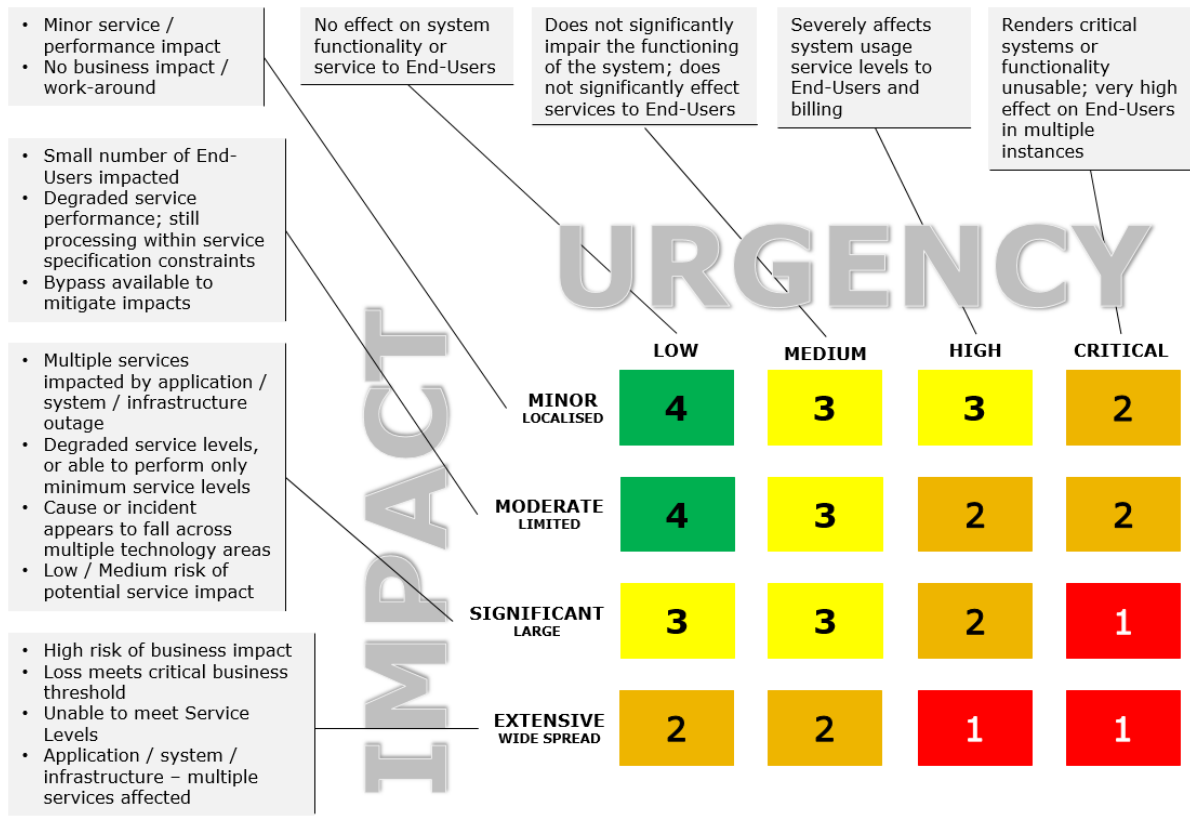
## 8.3 Service Levels for Network Fault Response and rectification

(a) The Service Levels for Network Fault Responses and rectification of Network Faults, each from the time an Infrastructure Restoration Trouble Ticket is raised by **nbn**, are:

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Incident Priority (see table in (b) below)	Service Level	
	Network Fault Response (hours)	Network Fault rectification (hours)
<u>1</u>	<u>0.5</u>	<u>6</u>
<u>2</u>	<u>1</u>	<u>12</u>
<u>3</u>	<u>2</u>	<u>20</u>
<u>4</u>	<u>4</u>	<u>28</u>

(b) nbn will determine the incident priority for a Network Fault in accordance with the priority matrix below:



8.4 Performance Objectives

(a) nbn will aim to achieve the following Performance Objectives in connection with the Service Levels set out in this section:

Relevant Service Level	Performance Objective
<u>End User Faults (excluding Priority Assistance Faults) rectified in accordance with the relevant Service Levels</u>	<u>90% or more</u>
<u>Priority Assistance Faults rectified in accordance with the relevant Service Levels</u>	<u>100%</u>
<u>Network Faults Responded to in accordance with the relevant Service Levels</u>	<u>90% or more</u>
<u>Network Faults rectified in accordance with the relevant Service Levels</u>	<u>90% or more</u>

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(b) Each Performance Objective in this section 8.4 is measured based on the total number of all of nbn's retail service providers' Trouble Tickets in each category which are responded to or rectified by nbn (as the case may be) in each month.

## 8.5 Service Fault Rebate

(a) nbn will provide RSP with a Service Fault Rebate for each End User Fault affecting an nbn® Ethernet Ordered Product (except Enhanced Faults and End User Faults in Limited Access Areas) rectified by nbn, which nbn fails to rectify in accordance with the applicable Service Level.

(b) Subject to sections 8.5(c) to 8.5(f), the amount of each Service Fault Rebate will be calculated as follows, capped at a maximum of 60 Rebate Days:

(i) \$15 per Rebate Day for any End User Fault other than a Priority Assistance Fault; and

(ii) \$20 per Rebate Day for any Priority Assistance Fault.

(c) In addition to Enhanced Faults and End User Faults in Limited Access Areas (which are excluded under section 8.5(a)), Service Fault Rebates do not apply to End User Faults which are closed on the basis that they are External Faults, or End User Faults to which Service Levels do not apply in accordance with this nbn® Ethernet Service Levels Schedule, including section 8.6.

(d) If nbn is liable to RSP for CSG Compensation or under section 118A of the TCPSS Act in connection with the rectification of any End User Fault, nbn may:

(i) reduce the amount of any future Service Fault Rebates that are or become payable to RSP; and

(ii) by giving notice, require RSP to repay any previous Service Fault Rebates paid to RSP, up to an amount equal to the total of nbn's liability to RSP for CSG Compensation and under section 118A of the TCPSS Act in connection with End User Fault rectification and End User Incident rectification.

(e) If nbn is Liable, as a result of a Material Service Failure, to pay damages to RSP in connection with an End User Fault in respect of which nbn has previously paid a Service Fault Rebate to RSP:

(i) the amount of the Service Fault Rebate that nbn paid to RSP in respect of that particular End User Fault will cease to be a Service Fault Rebate for the purposes of Module E of the Head Terms; and

(ii) that amount will be deemed to have been paid in satisfaction of any Liability in connection with that End User Fault to which clause E1.3(a) of the Head Terms applies; and

(iii) for the avoidance of doubt, nbn will have no further Liability to RSP under this section 8.5 in respect of that End User Fault.

(f) nbn will not be liable to provide a Service Fault Rebate to RSP in respect of an End User Fault if:

(i) RSP does not submit a Service Fault Trouble Ticket in respect of that End User Fault; or

(ii) nbn reclassifies the relevant Trouble Ticket as a Performance Incident Trouble Ticket in accordance with the WBA Operations Manual.

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(g) nbn will pay the Service Fault Rebates (if any) to RSP by applying them to the RSP Billing Account in accordance with section 8.5.1.5 of the WBA Operations Manual.

(h) RSP must take reasonable steps to ensure that, for each Service Fault Rebate provided to RSP under this section 8.5, the relevant Affected End User receives a fair value benefit (in monetary or other form) of that Service Fault Rebate.

## 8.6 Conditions

(a) The Service Levels do not apply to End User Faults or Network Faults caused by use of an Ordered Product which breaches the **nbn**<sup>®</sup> Ethernet Fair Use Policy.

(b) The Service Levels for Service Faults do not apply if RSP does not use the correct notification procedure in accordance with Module 5 of the WBA Operations Manual.

(c) The Service Levels for Service Fault response and rectification are the Service Levels that apply at the time the relevant Trouble Ticket is raised or the time of Trouble Ticket Acknowledgement or Trouble Ticket Acceptance (as relevant to the applicable Service Level).

*Section 9 sets out the Service Levels, Performance Objectives and Performance Incident Rebates that **nbn** offers for Performance Incident rectification. See section 20 for rules of interpretation that apply to these Service Levels and Performance Objectives.*

## 9. Performance Incident rectification

### 9.1 Service Levels for End User Incident rectification

The Service Levels for rectification of End User Incidents from the time of Performance Incident Trouble Ticket Acceptance (or Trouble Ticket Acknowledgement if section 7.3(c) applies) are:

Location of Premises	Service Level
Urban Area	5:00pm seventh Business Day
Major Rural Area or Minor Rural Area	5:00pm tenth Business Day
Remote Area	5:00pm fifteenth Business Day

### 9.2 Performance Objective

(a) **nbn** will aim to achieve the following Performance Objective in connection with the Service Levels set out in this section:

Relevant Service Level	Performance Objective
End User Incidents rectified in accordance with the relevant Service Levels	80% or more*

*\*Note: The Performance Objective in respect of the rectification of End User Incidents in accordance with the relevant Service Levels is subject to sections 9.2(c) and 9.3.*

(b) The Performance Objective in this section 9.2 is measured based on the total number of all of **nbn**'s retail service providers' Performance Incident Trouble Tickets rectified in accordance with the relevant Service Level each month.

(c) Subject to section 9.3, the Performance Objective in this section 9.2 will become "90% or more" with effect from 6 months after the Start Date.

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### 9.3 Review

- (a) Despite section 9.2, **nbn** may notify RSP that the rectification of End User Incidents that satisfy one or more New PI Thresholds will be excluded from the scope of the Performance Objective in section 9.2 and will instead be subject to a separate Performance Objective of "80% or more".
- (b) For the purposes of this section 9.3, a **New PI Threshold** is a PI Threshold which, in the month in which the notice was given under section 9.3(a), was:
- (i) introduced by **nbn**;
  - (ii) amended by **nbn** with the effect that additional circumstances are capable of constituting a Performance Incident; or
  - (iii) applied to an additional PI Product Element to which that PI Threshold did not previously apply, provided that, in such circumstances, the PI Threshold will only be a New PI Threshold under this section 9.3(b)(iii) to the extent that it applies to that additional PI Product Element.
- (c) If **nbn** provides RSP a notice under section 9.3(a):
- (i) the separate Performance Objective of "80% or more" will apply to the rectification of End User Incidents that satisfy the New PI Threshold(s) the subject of that notice for the month in which **nbn** provides that notice and for each of the following two months;
  - (ii) following the end of the 3-month period referred to in section 9.3(c)(i), the rectification of End User Incidents that satisfy the relevant New PI Threshold(s) will become subject to the Performance Objective in section 9.2 and will be measured together with the rectification of other End User Incidents subject to that Performance Objective; and
  - (iii) that notice will not, during the 3-month period referred to in section 9.3(c)(i), affect the Performance Objective that applies to the rectification of any other End User Incidents.

### 9.4 Conditions

- (a) The Service Levels do not apply to End User Incidents caused by use of an Ordered Product which breaches the **nbn**<sup>®</sup> Ethernet Fair Use Policy.
- (b) The Service Levels for Performance Incidents do not apply if RSP does not use the correct notification procedure in accordance with Module 5 of the WBA Operations Manual.
- (c) The Service Levels for Performance Incident rectification are the Service Levels that apply at the time of Performance Incident Trouble Ticket Acknowledgement or Trouble Ticket Acceptance (as relevant to the applicable Service Level).

Section 10 sets out the Service Levels, Performance Objectives and Missed Trouble Ticket Appointment Rebates that **nbn** offers for End User Fault rectification Appointments. See section 20 for rules of interpretation that apply to these Service Levels and Performance Objectives.

## 10. End User Fault rectification Appointments

### 10.1 Service Levels for kept End User Fault rectification Appointments

The Service Levels for Actual Trouble Ticket Appointments to attend a Premises made by RSP and confirmed by **nbn** for rectification of End User Faults (including Priority Assistance Faults) are:

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Appointment window	Service Level
<u>Attend a Premises at a particular time</u>	<u>Attend Premises at that time or within 15 minutes thereafter</u>
<u>Attend a Premises within a 4 hour period</u>	<u>Attend Premises within the period or within 15 minutes thereafter</u>
<u>Attend a Premises in a Major Rural Area within a period of between 4 and 5 hours</u>	<u>Attend Premises within the period</u>
<u>Attend a Premises in a Minor Rural Area, Remote Area, Isolated Area or Limited Access Area within a period of between 4 and 5 hours</u>	<u>Attend Premises within the period or within 45 minutes thereafter</u>

## 10.2 Performance Objectives

(a) nbn will aim to achieve the following Performance Objectives in connection with the Service Levels set out in this section:

Commitment	Performance Objective
<u>Actual Trouble Ticket Appointments (excluding any initial Actual Trouble Ticket Appointments that were previously rescheduled) kept in accordance with the Service Levels</u>	<u>90% or more</u>
<u>Initial Actual Trouble Ticket Appointments rescheduled</u>	<u>5% or less</u>
<u>Initial Actual Trouble Ticket Appointments that were previously rescheduled kept in accordance with the Service Levels</u>	<u>95% or more</u>

(b) Each Performance Objective in this section 10.2 is measured based on the total number of initial End User Fault rectification Actual Trouble Ticket Appointments kept or rescheduled (as the case may be) for all of nbn's retail service providers each month.

## 10.3 Conditions

(a) nbn may change the Appointment window for any Trouble Ticket Appointment where the Appointment Representative is required to be in attendance at the Premises:

(i) by giving RSP more than 26 hours' notice;

(ii) by obtaining the agreement of the Appointment Representative; or

(iii) in respect of End User Faults related to the Satellite Network, without limiting sections 10.3(a)(i) or 10.3(a)(ii), where permitted by the WBA Operations Manual,

prior to the commencement of the Appointment window. The Service Levels will then only apply to the changed Appointment window.

**Note:** When RSP reserves a Trouble Ticket Appointment in respect of nbn® Ethernet (Satellite), RSP is reserving assurance capacity (that is, the reserved Trouble Ticket Appointment may not be the date that the Trouble Ticket Appointment will occur). nbn will contact the Appointment Representative to schedule the Actual Trouble Ticket Appointment in accordance with the WBA Operations Manual.

(b) For the purposes of this section 10, the term "rescheduled" means an Actual Trouble Ticket Appointment that must be rescheduled due to a failure or inability of nbn to attend a Premises within the Service Levels but does not include a Trouble Ticket Appointment where the Appointment window is:



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- (i) changed as permitted under section 10.3(a); or
  - (ii) rescheduled due to circumstances beyond **nbn**'s reasonable control, including where **nbn**'s failure or inability to attend a Trouble Ticket Appointment is caused or contributed to by RSP, a Downstream Service Provider, a Contracted End User or other End User.
- (c) The Service Levels and Performance Objectives in this section 10 do not apply where the Appointment Representative was not at the Premises for the initial Actual Trouble Ticket Appointment.

**10.4 Missed Trouble Ticket Appointment Rebate**

- (a) **nbn** will provide a Missed Trouble Ticket Appointment Rebate to RSP in respect of each Actual Trouble Ticket Appointment that is made by RSP and confirmed by **nbn**, which **nbn** does not attend in accordance with the applicable Service Level.
- (b) Subject to sections 10.4(c) to 10.4(d), the amount of each Missed Trouble Ticket Appointment Rebate will be as follows:
- (i) \$50 for each First Missed Trouble Ticket Appointment; and
  - (ii) \$75 for each Subsequent Missed Trouble Ticket Appointment.

where:

**Missed Ticket Appointment** means an Actual Trouble Ticket Appointment that **nbn** does not attend in accordance with the applicable Service Level;

**First Missed Trouble Ticket Appointment** means a Missed Trouble Ticket Appointment in respect of a Trouble Ticket for which there has been no previous Missed Trouble Ticket Appointment; and

**Subsequent Missed Trouble Ticket Appointment** means a Missed Trouble Ticket Appointment in respect of a Trouble Ticket for which there has been one or more previous Missed Trouble Ticket Appointments.

- (c) The amount of any Missed Trouble Ticket Appointment Rebate will be reduced by 50% if:
- (i) **nbn** attends the relevant Premises on the day of the relevant Actual Trouble Ticket Appointment; and
  - (ii) the Appointment Representative consents (either prior to, or at the time of, **nbn**'s attendance) to **nbn** performing fault rectification activities at a time other than the required time under the Service Level for the Trouble Ticket Appointment.
- (d) If **nbn** is liable to RSP for CSG Compensation or under section 118A of the TCPSS Act in connection with any Actual Trouble Ticket Appointment, **nbn** may:
- (i) reduce the amount of any future Missed Trouble Ticket Appointment Rebates that are or become payable to RSP; and
  - (ii) by giving notice, require RSP to repay any previous Missed Trouble Ticket Appointment Rebates paid to RSP,
- up to an amount equal to the total of **nbn**'s liability to RSP for CSG Compensation and under section 118A of the TCPSS Act in connection with Actual Trouble Ticket Appointments.
- (e) **nbn** will pay Missed Trouble Ticket Appointment Rebates (if any) by applying them to the RSP Billing Account in accordance with section 8.5.1.5 of the WBA Operations Manual.

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- (f) RSP must take reasonable steps to ensure that, for each Missed Trouble Ticket Appointment Rebate provided to RSP under this section 10.4, an equal amount is paid or credited to the relevant Affected End User.

Section 11 sets out the Service Levels and Performance Objectives that **nbn** offers for modifications. See section 20 for rules of interpretation that apply to these Service Levels and Performance Objectives.

## 11. Modifications

### 11.1 Service Levels for Access Component Modifications

- (a) The Service Level for Access Component Modifications that do not require attendance at Premises from the time of Order Acknowledgement is:

<u>Activity</u>	<u>Service Level (Operational Hours)</u>
<u>Access Component Modification (no attendance at Premises required)</u>	<u>4</u>

- (b) The Service Levels for Access Component Modifications that require attendance at Premises and Priority Assistance Modifications at Premises where a Power Supply (Standard) is installed, from the time of Order Acknowledgement are:

- (i) in respect of the Fibre Network, FTTB Network, FTTN Network, FTTC Network, HFC Network and Wireless Network:

<u>Location of Premises<sup>1</sup></u>	<u>Service Level (Business Days)</u>
<u>Urban Area</u>	<u>9</u>
<u>Major Rural Area or Minor Rural Area</u>	<u>14</u>
<u>Remote Area</u>	<u>19</u>

\* **Note:** No Premises served by the HFC Network will be located in an area other than an Urban Area.

- (ii) in respect of the Satellite Network:

<u>Location of Premises</u>	<u>Service Level (Business Days)</u>
<u>Urban Area, Major Rural Area, Minor Rural Area or Remote Area</u>	<u>20</u>
<u>Isolated Area</u>	<u>35</u>
<u>Limited Access Area</u>	<u>N/A</u>

### 11.2 Connectivity Component modifications

The Service Level for Connectivity Component modifications from the time of Order Acknowledgement is:

<u>Activity</u>	<u>Service Level (Operational Hours)</u>
<u>CVC Modification</u>	<u>4</u>

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### 11.3 Performance Objectives

(a) **nbn** will aim to achieve the following Performance Objectives in connection with the Service Levels set out in this section:

<u>Relevant Service Level</u>	<u>Performance Objective</u>
<u>Access Component Modification (no attendance at Premises required)</u>	<u>90% or more</u>
<u>Access Component Modification (attendance at Premises required)</u>	<u>90% or more</u>
<u>CVC Modification</u>	<u>90% or more</u>

(b) Each Performance Objective in this section 11.3 is measured based on the total number of the relevant category of modifications or notifications (as the case may be) completed within the relevant Service Level for all of **nbn**'s retail service providers each month.

### 11.4 Conditions

RSP must maintain and retain up-to-date and accurate records, materials, documents and correspondence relevant to each Priority Assistance Modification and, on request, provide **nbn** with access to such information.

Section 12 sets out the Service Levels and Performance Objective that **nbn** offers for disconnections. See section 20 for rules of interpretation that apply to these Service Levels and Performance Objectives.

## 12. Disconnections

### 12.1 Service Levels for Access Component Disconnections

The Service Levels for Access Component Disconnections from the time of Order Acknowledgement are:

<u>Activity</u>	<u>Service Level (Business Days)</u>
<u>Order received on a Business Day</u>	<u>Completed by the end of the following Business Day</u>

### 12.2 Performance Objective

(a) **nbn** will aim to achieve the following Performance Objective in connection with the Service Level set out in this section:

<u>Relevant Service Level</u>	<u>Performance Objective</u>
<u>Access Component Disconnection</u>	<u>90% or more</u>

(b) The Performance Objective in this section 12.2 is measured based on the total number of all Access Components Disconnections completed in accordance with the relevant Service Level for all of **nbn**'s retail service providers each month.

*Section 13 sets out the Performance Objectives that **nbn** offers for Network Availability and utilisation management. See section 20 for rules of interpretation that apply to these Performance Objectives.*

## 13. Network performance and availability

### 13.1 Purpose

The Network Availability Performance Objective is intended to capture the reliability of the **nbn**<sup>®</sup> Network by measuring, as Unavailable Time, the time during which ordered products supplied across the **nbn**<sup>®</sup> Network experience total loss of connectivity. The Performance Objective excludes interruptions to connectivity due to the following circumstances, which do not reflect the reliability of the **nbn**<sup>®</sup> Network:

- (a) intentional interruptions to connectivity that do not reflect the resilience of the **nbn**<sup>®</sup> Network, such as Planned Outages and Emergency Outages; and
- (b) failures that occur due to factors outside of **nbn**'s control such as Force Majeure Events.

### 13.2 Performance Objective for Network Availability

- (a) **nbn** will aim to achieve Network Availability of:
  - (i) 99.90% in respect of all relevant ordered products supplied to all of **nbn**'s retail service providers over the **nbn**<sup>®</sup> Network other than those supplied by means of the Satellite Network; and
  - (ii) 99.70% in respect of all relevant ordered products supplied to all of **nbn**'s retail service providers over the **nbn**<sup>®</sup> Network by means of the Satellite Network.
- (b) The Performance Objective in each of sections 13.2(a)(i) and 13.2(a)(ii) is measured based on combined availability of all relevant ordered products (between the NNI and the **nbn**<sup>®</sup> Downstream Network Boundary) supplied by **nbn** over the relevant network(s) to all of **nbn**'s retail service providers in each 12 month period ending at the end of each Quarter.
- (c) **Network Availability** is calculated separately under each of sections 13.2(a)(i) and 13.2(a)(ii) as follows:

$$\frac{\text{(Measurement Period – Unavailable Time)}}{\text{Measurement Period}} \times 100$$

Where, for the purposes of this section 13:

**Measurement Period** means, in respect of the relevant 12 month period, the aggregate of the total number of minutes for which **nbn** has agreed to supply each relevant ordered product to all of **nbn**'s retail service providers over the relevant network(s) during that 12 month period (excluding Intentional Interruptions).

**Unavailable Time** means, in respect of the relevant 12 month period, the total number of minutes that each relevant ordered product which **nbn** has agreed to supply to all of **nbn**'s retail service providers over the relevant network(s) during that 12 month period was Unavailable.

**Note:** *Exclusions apply as set out in section 13.3(b).*

**Unavailable** means where TC-1, TC-2 and/or TC-4 connectivity between the NNI and the **nbn**<sup>®</sup> Downstream Network Boundary is Lost.

This is measured as follows:

- (i) where that loss of connectivity is associated with a trouble ticket that is not an Infrastructure Restoration Trouble Ticket, from the time that **nbn** has acknowledged or

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accepted that trouble ticket in respect of that service fault until the time that the trouble ticket is resolved; or

(ii) where that loss of connectivity is associated with an Infrastructure Restoration Trouble Ticket, from the earlier of:

(A) the time that **nbn** identifies that network fault by means of a network alarm; and

(B) the time that **nbn** raises the relevant Infrastructure Restoration Trouble Ticket, until the relevant Infrastructure Restoration Trouble Ticket is resolved.

**Intentional Interruptions** means Planned Outages and Emergency Outages.

**Lost** means where a service fault has occurred and **nbn** has determined, acting reasonably, that the service fault relates to a total loss of connectivity in relation to an ordered product.

***Note:** Unavailable Time is measured in actual minutes. Any time during which multiple service fault rectification service levels apply concurrently will only be measured once.*

(d) For the purposes of this section 13.2, a "relevant ordered product" means any ordered product that is supplied by **nbn** under one of the Product Modules specified by **nbn** from time to time for the purposes of this section 13.2.

### 13.3 Conditions for Network Availability

(a) The measurement of Network Availability includes only the time when:

(i) the Fibre Network, FTTB Network, FTTN Network, FTTC Network, HFC Network and Wireless Network; and

(ii) the Satellite Network,

(as applicable) are in active operation and excludes any time when modifications, activations or installations are occurring.

(b) When calculating Network Availability, Unavailable Time does not apply where connectivity is Lost owing to:

(i) any event or matter excluded under sections 21 or 22 under this Agreement or under any Other Wholesale Broadband Agreement;

(ii) any Intentional Interruptions (including HFC Rollout Planned Outages and FTTC Rollout Planned Outages) or interruptions permitted under clause C15.3 of the Head Terms under this Agreement or under any Other Wholesale Broadband Agreement;

(iii) a matter, thing, event or circumstance that occurs outside the **nbn**<sup>®</sup> Network Boundaries;

(iv) any Power Outage:

(A) at an MDU Site or affecting any **nbn**<sup>®</sup> Equipment located at that MDU Site;

(B) affecting an **nbn**<sup>®</sup> Node or any other active equipment that forms part of the FTTB Network or the FTTN Network and is not located within a Type 1 Facility or a Type 2 Facility;

(C) affecting an HFC Optical Node or any other active equipment that forms part of the HFC Network and is not located within a Type 1 Facility or a Type 2 Facility; or

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- (D) affecting an nbn<sup>®</sup> DPU, FTTC-NCD or any other active equipment that forms part of the FTTC Network and is not located within a Type 1 Facility or a Type 2 Facility; or
- (v) breach of the nbn<sup>®</sup> Ethernet Fair Use Policy under this Agreement or under any Other Wholesale Broadband Agreement.
- (c) The Performance Objective for Network Availability is based on modelling using a set of assumptions regarding future network performance and may be modified by nbn following analysis of empirical Network Availability performance data gathered over time.

### 13.4 Performance Objectives for Utilisation Management

- (a) **Shared Network Resource** means nbn's transit backhaul network between the POI and the following point, by network:
  - (i) the optical line terminator for the Fibre Network and FTTC Network;
  - (ii) the access aggregation switch for the FTTB Network and FTTN Network;
  - (iii) the cable modem termination system for the HFC Network; and
  - (iv) the combined packet gateway for the Wireless Network.
- (b) If nbn determines that:
  - (i) more than 90% of a Shared Network Resource has been utilised for a continuous period of 30 minutes or more on at least 3 separate days within any rolling 30-day period (**Utilisation Threshold**); and
  - (ii) the excess utilisation is not due to a one-off network event (such as fail-over to a reduced capacity secondary link),

nbn will return the utilisation of the relevant Shared Network Resource to below the Utilisation Threshold within 15 Business Days (**Utilisation Management Performance Objective**).

Section 14 sets out the Rebates that nbn offers in respect of the performance of nbn<sup>®</sup> Ethernet (FTTB), nbn<sup>®</sup> Ethernet (FTTN) and nbn<sup>®</sup> Ethernet (FTTC) TC-4 Ordered Products upon connection.

## 14. FTTB/N/C Connection Performance Rebate

- (a) Subject to sections 14(d) to 14(g), nbn will provide RSP with an FTTB/N/C Connection Performance Rebate in respect of a Connect Order for an nbn<sup>®</sup> Ethernet (FTTB), nbn<sup>®</sup> Ethernet (FTTN), or nbn<sup>®</sup> Ethernet (FTTC) TC-4 Ordered Product supplied using an nbn<sup>®</sup> Copper Pair if:
  - (i) nbn determines, acting reasonably, that, at the SQ Enquiry Time, the Connection Assured Rate for the nbn<sup>®</sup> Copper Pair was available via the Site Qualification System, and subsequently, as at the Connection Performance Measurement Date, the Measured Connection Rate is lower than:
    - (A) the Connection Assured Rate for that nbn<sup>®</sup> Copper Pair; and
    - (B) the Downstream Performance Threshold for the Originally Connected AVC TC 4; or
  - (ii) nbn determines, acting reasonably, that, at the SQ Enquiry Time, the Connection Assured Rate for the nbn<sup>®</sup> Copper Pair was unavailable via the Site Qualification System and subsequently, as at the Connection Performance Measurement Date, the Measured Connection Rate is lower than the Downstream Performance Threshold for the Originally Connected AVC TC-4.

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(b) The amount of each FTTB/N/C Connection Performance Rebate payable in accordance with this section 14 is \$20 per **nbn**<sup>®</sup> Ethernet (FTTB), **nbn**<sup>®</sup> Ethernet (FTTN), or **nbn**<sup>®</sup> Ethernet (FTTC) TC-4 Ordered Product.

(c) The Downstream Performance Threshold for the following bandwidth profiles of AVC TC-4 Ordered Product Components are:

AVC TC-4 downstream Mbps (PIR)		AVC TC-4 upstream Mbps (PIR)	<b>nbn</b> <sup>®</sup> Network	Downstream Performance Threshold (Mbps)
25-50		5-20	FTTB and FTTN	25
50		20	FTTC	25
Home Fast	(25-100)	(5-20)	FTTB and FTTN	50
Home Fast	(50-100)	(20)	FTTC	50
25-100		5-40	FTTB and FTTN	50
50-100		20-40	FTTC	50

(d) The FTTB/N/C Connection Performance Rebate only applies in respect of Connect Orders for **nbn**<sup>®</sup> Ethernet (FTTB), **nbn**<sup>®</sup> Ethernet (FTTN), or **nbn**<sup>®</sup> Ethernet (FTTC) AVC TC-4 Product Components with bandwidth profiles for which there is a Downstream Performance Threshold set out in section 14(c).

(e) **nbn** will not be required to pay an FTTB/N/C Connection Performance Rebate if:

(i) **nbn** is unable to accurately estimate the Measured Connection Rate by the Connection Performance Measurement Date because:

(A) **nbn** has been unable to obtain at least 7 point-in-time measurements of the performance of the relevant AVC TC-4 Ordered Product Component by the Connection Performance Measurement Date; or

(B) **nbn** considers, acting reasonably, that the Information Rate for the relevant AVC TC-4 Ordered Product Component has been reduced, throttled or otherwise constrained other than by **nbn**;

(ii) the TC-4 Ordered Product is disconnected by the Connection Performance Measurement Date;

(iii) the Connect Order is a Service Transfer Order and the RSP is a Related Body Corporate of the Other Losing RSP; or

(iv) the Originally Connected AVC TC-4 has a Downstream Performance Threshold that is greater than the Connection Assured Rate for the relevant **nbn**<sup>®</sup> Copper Pair.

(f) FTTB/N/C Connection Performance Rebates do not apply in connection with Connect Orders which are Transfer Reversals.

(g) **nbn** will not be required to pay an FTTB/N/C Connection Performance Rebate until **nbn** has estimated the Measured Connection Rate.

(h) **nbn** will pay the FTTB/N/C Connection Performance Rebate (if any) to RSP by applying it to the RSP Billing Account in accordance with section 8.5.1.5 of the WBA Operations Manual.

Section 15 sets out the Rebate that **nbn** offers in respect of **nbn**<sup>®</sup> Ethernet (Wireless) Ordered Products that are supplied using Wireless Network cells that are Persistently Congested.

## 15. Wireless Speed Performance Rebate

- (a) Subject to section 15(d), **nbn** will provide RSP with a Wireless Speed Performance Rebate of \$20 in accordance with this section 15 in respect of each month for each **nbn**<sup>®</sup> Ethernet (Wireless) AVC TC-4 Product Component that is supplied using a Wireless Network cell that is Persistently Congested during that month.
- (b) For the purposes of section 15(a), a Wireless Network cell is **Persistently Congested** during a month if:
- (i) any Transmission Backhaul Link for that Wireless Network cell is reported by **nbn** as having an Average Busy Hour Link Packet Loss of 0.25% or more for the last Backhaul Link Packet Loss Reporting Period ending in that month; or
  - (ii) the Average Downlink Throughput of that Wireless Network cell is reported by **nbn** as being less than 6 Mbps for the last Downlink Throughput Reporting Period ending in that month.
- (c) **nbn** may amend the definition of Persistently Congested under section 15(b) in accordance with the process set out in clause F4.7(a) of the Head Terms, provided that **nbn** must not make any such amendment unless **nbn** considers, acting reasonably, that the proposed amended definition of Persistently Congested will better reflect the circumstances in which the operation of the Wireless Network adversely affects End User experience.
- (d) **nbn** is not obliged to pay a Wireless Speed Performance Rebate pursuant to this section 15 to the extent that any of the matters referred to in section 21, or any other circumstances beyond **nbn**'s reasonable control, caused or contributed to the relevant Wireless Network cell being Persistently Congested.
- (e) **nbn** will pay the Wireless Speed Performance Rebate (if any) to RSP by applying it to the RSP Billing Account in accordance with section 8.5.1.5 of the WBA Operations Manual.
- (f) RSP must take reasonable steps to ensure that, for each Wireless Speed Performance Rebate that is paid to RSP under this section 15 the Affected End User receives a fair value benefit (in monetary or other form) of that Wireless Speed Performance Rebate.
- (g) If measurement is suspended under section 20.1(d) for any Service Level or Performance Objective that applies to an order or Trouble Ticket related to a Wireless Network cell that is Persistently Congested, then despite section 20.1(d), that suspension will not suspend the accrual of any Wireless Speed Performance Rebates in respect of that Wireless Network cell.



## Part B: Measurement and Corrective Action

### 16. Measurement

#### 16.1 Measurement and monitoring

nbn will measure and monitor its performance, and produce reports based on that information, in relation to:

- (a) each Activity and Network Availability (**Performance Reports**); and
- (b) the Utilisation Threshold (**Utilisation Threshold Reports**).

#### 16.2 Information accuracy

(a) Performance Reports and any measurement and monitoring information produced by nbn are the Confidential Information of nbn.

(b) nbn will:

- (i) use its reasonable endeavours to:
  - (A) ensure that the Performance Reports generated by the measurement and monitoring tools are accurate (including by correcting any inaccuracies); and
  - (B) notify RSP within 10 Business Days of becoming aware of any inaccuracy; and
- (ii) engage an independent auditor to review the general accuracy of its measurement and monitoring tools at least once during the Term and notify RSP of the outcome of that review.

#### 16.3 Performance Reports

(a) nbn will provide a Performance Report to RSP on nbn's performance of:

- (i) the Activities in each month, by 10 Business Days after the end of the month;
- (ii) the Activities in each Quarter, on or about 20 Business Days after the end of the Quarter; and
- (iii) Network Availability on or about 20 Business Days after the end of each Quarter for the 12 month period ending at the end of the relevant Quarter.

(b) nbn may, from time to time, include additional information about nbn's performance in its Performance Reports as nbn's measurement and monitoring tools are developed.

**Note:** See the WBA Operations Manual for further details regarding related operational reporting.

#### 16.4 Utilisation Reports

(a) nbn will provide a Utilisation Threshold Report to RSP by 10 Business Days after the end of the month specifying:

- (i) for each Shared Network Resource exceeding the Utilisation Threshold in that month:
  - (A) information identifying the Shared Network Resource;
  - (B) potentially affected Ordered Products; and
  - (C) the estimated date by which that Shared Network Resource will no longer exceed the Utilisation Threshold; and

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- (ii) the number of Shared Network Resources that exceeded the Utilisation Threshold in the immediately preceding monthly report and are no longer exceeding the Utilisation Threshold.
- (b) nbn must provide to RSP, no less frequently than 20 Business Days after the end of each Quarter, a Utilisation Threshold Report specifying the Shared Network Resources in respect of which, at any time in the Quarter, nbn undertook to increase available capacity (whether or not pursuant to section 13.4(b)).
- (c) If Shared Network Resources exceeding the Utilisation Threshold impact 1% or more of all AVC TC-4 Product Components supplied by means of the Fibre Network, FTTB Network, FTTC Network, FTTN Network and HFC Network (considered together), measured over a 3 month rolling period, nbn will enhance the Service Health Summary Tool to provide RSP with more timely Service Health Summary Information about each Ordered Product that is supplied via a Shared Network Resource that has exceeded the Utilisation Threshold.
- (d) Utilisation Threshold Reports provided under section 16.4(a) need not include the information in section 16.4(a)(i)(B) once the Service Health Summary Tool has been enhanced in accordance with section 16.4(c).

## 16.5 Data Enquiries

- (a) RSP may, acting reasonably, make a Data Enquiry (via nbn's Relationship Points of Contact):
  - (i) regarding a Performance Report within 6 months after the end of the period to which the Performance Report applies; or
  - (ii) requesting additional performance reporting about an order or Trouble Ticket as permitted under paragraph (b) of the definition of 'Data Enquiry', within 6 months of that order or Trouble Ticket being finalised.
- (b) nbn must use reasonable endeavours to respond to a Data Enquiry within a reasonable time after receipt of the Data Enquiry (or such longer period agreed by the parties, acting reasonably).

## 17. Corrective Action

### 17.1 Corrective Action

- (a) Subject to section 17.2, if nbn does not achieve a Performance Objective, nbn will:
  - (i) inform RSP of the reasons for that non-achievement;
  - (ii) provide RSP with a plan that sets out the relevant Corrective Action that nbn will undertake to address the non-achievement;
  - (iii) undertake the relevant Corrective Action; and
  - (iv) notify RSP as soon as reasonably practicable after Corrective Action is taken by nbn.
- (b) nbn will:
  - (i) take each action in section 17.1(a) as soon as reasonably practicable following the identification of the non-achievement of a Performance Objective by nbn; and
  - (ii) provide a corrective action plan under section 17.1(a)(ii) by or before the time that nbn provides a corresponding Performance Report to RSP under section 16.3, except where the Performance Report is to be provided by or before 10 Business Days after the end of the month, in which case, the corrective action plan must be provided by or before 20 Business Days after the end of the month.

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17.2 Conditions

- (a) nbn is not required to provide the information set out above or undertake any Corrective Action in a measurement period if nbn has already provided information or performed, or is in the process of performing, Corrective Action in relation to an earlier event with the same cause as the subsequent event.
- (b) Corrective Action in the case of Network Availability may include the incremental improvement of Network Availability as the nbn<sup>®</sup> Network is expanded and improved in accordance with nbn's Rollout Plans.

## Part C: CSG Compensation

### 18. CSG Compensation

#### 18.1 nbn's obligation to credit CSG Compensation to RSP

- (a) Subject to section 18.2, RSP may claim from nbn, and nbn will credit to RSP, CSG Compensation on Accelerated Connections, Appointments associated with End User Connections, End User Fault rectifications and End User Fault rectification Appointments if:
- (i) RSP or a Downstream Service Provider contravenes a performance standard that applies pursuant to the CSG Standard in respect of an RSP Product or Downstream Product;
  - (ii) the contravention relates to a particular Contracted End User;
  - (iii) RSP or Downstream Service Provider (as applicable) is liable to pay Primary Damages to that Contracted End User for that contravention;
  - (iv) that contravention is wholly or partly caused or contributed to by an act or omission of nbn; and
  - (v) RSP or Downstream Service Provider (as the case may be) has discharged its liability for the Primary Damages.
- (b) nbn is not obliged to pay or credit CSG Compensation to RSP unless:
- (i) in the case of a Connect Order, RSP has ordered the Access Components as an Accelerated Connection and the relevant Premises meets the requirements of an Accelerated Connection;
  - (ii) RSP and Downstream Service Provider (as applicable) have mitigated the Primary Damages to which the claim relates in accordance with section 19; and
  - (iii) RSP and Downstream Service Provider (as applicable) have used reasonable endeavours to ensure that a claim relating to this section 18 is made as soon as is reasonably practicable after RSP or Downstream Service Provider (as applicable) becomes aware of the liability to pay those Primary Damages and, in any event, within 2 years after RSP or Downstream Service Provider (as applicable) paid those Primary Damages.
- (c) Without limiting section 18.3(b), RSP must only submit one claim for CSG Compensation in respect of all liability incurred by RSP and any Downstream Service Provider in connection with all acts and omissions contributing to a single CSG contravention.

#### 18.2 When CSG Compensation is not payable

- (a) No CSG Compensation is payable under this section 18 in respect of any:
- (i) Migration Connection;
  - (ii) Standard Connection; or
  - (iii) Ordered Product supplied using the Wireless Network or Satellite Network.

#### 18.3 Process for calculating, claiming and crediting CSG Compensation

- (a) RSP may claim from nbn, and nbn will credit to RSP, CSG Compensation payable under this section 18 in accordance with the processes set out in section 8.5 of the WBA Operations Manual.

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- (b) The amount of CSG Compensation that **nbn** is liable to credit under this **nbn**<sup>®</sup> Ethernet Service Levels Schedule is the amount equal to that part of any Primary Damages caused or contributed to by **nbn**.
- (c) If RSP submits any claim for CSG Compensation, RSP must notify **nbn** of the total amount of the Primary Damages that RSP or Downstream Service Provider (as applicable) has paid to each relevant Contracted End User in respect of each contravention of a performance standard that applies pursuant to the CSG Standard.

#### 18.4 Audit rights

- (a) From time to time, **nbn** may appoint a person as a CSG Auditor.
- (b) RSP must cooperate, and must use reasonable endeavours to ensure that the relevant Downstream Service Providers cooperate, with the CSG Auditor to assist with the audit of any Claims for CSG Compensation made by RSP under this section 18.
- (c) RSP must disclose, and must use reasonable endeavours to ensure that the relevant Downstream Service Providers disclose, to the CSG Auditor all records, materials, documents and correspondence which are relevant to the audit, subject to the CSG Auditor entering into reasonable undertakings to protect the confidentiality of such information during the audit.
- (d) If **nbn** has paid or credited any amount as CSG Compensation to RSP under this section 18, RSP must repay that amount to **nbn** in accordance with clause B6 of the Head Terms if:
- (i) it is subsequently determined (either as a result of the audit, or otherwise) that RSP was not entitled to claim that CSG Compensation from **nbn**;
  - (ii) RSP or Downstream Service Provider does not cooperate with the CSG Auditor to assist with the audit of any Claims for CSG Compensation made by RSP under this section 18; or
  - (iii) RSP or Downstream Service Provider does not disclose to the CSG Auditor all records, materials, documents and correspondence which are relevant to the audit in circumstances where the CSG Auditor is willing to enter into reasonable undertakings to protect the confidentiality of such information during the audit.

#### 19. Mitigation of damages

- (a) RSP must take, and must use reasonable endeavours to ensure that Downstream Service Provider takes, all reasonable action to avoid or mitigate their liability to pay Primary Damages under the CSG Standard where **nbn** may be liable to pay CSG Compensation under this **nbn**<sup>®</sup> Ethernet Service Levels Schedule or secondary damages under section 118A of the TCPSS Act.
- (b) For the purpose of section 19(a), actions that are reasonably available to RSP and Downstream Service Providers (as applicable) may include:
- (i) making a reasonable offer to supply the relevant End User with an alternative or interim service, including the supply of a carriage service by means of the **nbn**<sup>®</sup> Copper Network, Other Copper Network, HFC Network or Other HFC Network so as to mitigate RSP's or Downstream Service Provider's liability to pay Primary Damages under the CSG Standard;
  - (ii) applying for and claiming the benefit of any applicable exemptions that may be available to RSP or Downstream Service Provider under Part 3 of the CSG Standard;
  - (iii) subject to section 19(c), requesting a Contracted End User to provide a waiver under Part 5 of the CSG Standard where that Contracted End User is not prohibited from providing that waiver under section 120(7) of the TCPSS Act; and

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(iv) in the case of the universal service provider for the relevant universal service area, relying on its Standard Marketing Plan to avoid or mitigate its liability to pay Primary Damages under the CSG Standard.

(c) Nothing in sections 19(a) or 19(b) requires RSP or Downstream Service Provider to:

(i) supply an End User with an interim service if RSP or Downstream Service Provider (as applicable) determines, acting reasonably, that the cost of supplying the interim service will exceed the amount of Primary Damages which RSP or Downstream Service Provider (as applicable) would otherwise be liable for under the CSG Standard; or

(ii) request that a Contracted End User provides a waiver under Part 5 of the CSG Standard in respect of a fault rectification performance standard under Part 2 Division 3 of the CSG Standard.

## Part D: Interpretation and Exclusions

### 20. Interpretation

#### 20.1 Service Levels and Performance Objectives apply in Operational Hours

- (a) All references to time in this **nbn**<sup>®</sup> Ethernet Service Levels Schedule are calculated by reference to Operational Hours.
- (b) Unless specified otherwise in the table below, Operational Hours are 0800 to 1700 local time on Business Days where the relevant Activity is occurring.

Service Level	Operational Hours
<u>Priority Assistance Connections</u> <u>Priority Assistance Fault Response</u> <u>Priority Assistance Fault rectification</u> <u>Network Availability</u> <u>Network Fault Response</u> <u>Network Fault rectification</u> <u>Utilisation management under 13.4</u> <u>Attendance at a Premises for a Co-ordinated Appointment</u>	24 hours a day
<u>Interference Mitigation</u>	0800 to 1700 Australian Eastern Time on Business Days
<u>Attendance at a Premises for a Trouble Ticket Appointment for Trouble Ticket Appointments confirmed by <b>nbn</b> for a Saturday</u>	0800 to 1700 local time on that Saturday where the Trouble Ticket Appointment is occurring

- (c) Unless specified otherwise, measurement of **nbn**'s performance:
- (i) starts:
- (A) during Operational Hours, immediately; and
- (B) outside of Operational Hours, at the start of the next Operational Hour,  
after Order Acknowledgement, an Infrastructure Restoration Trouble Ticket is raised,  
Trouble Ticket Acknowledgement, or Trouble Ticket Acceptance (as applicable); and
- (ii) ends at the time at which:
- (A) **nbn** notifies RSP (by any means permitted under this Agreement) that **nbn** has responded, successfully completed the relevant work, made a Network Activity designation, or rejects or cancels the order or Trouble Ticket in accordance with this Agreement; or
- (B) RSP cancels the order or Trouble Ticket.
- (d) Subject to sections 1.5, 5.2, 6.2, 7.3, 15 and 22 if:
- (i) a 'Pending' Status is applied to any order or Trouble Ticket;
- (ii) a 'Held' Status is applied to any order or Trouble Ticket due to any Force Majeure Event;

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- (iii) a 'Held' Status is applied to any order or Trouble Ticket for **nbn** to perform any Design Site Qualification, Network Activity or Interference Mitigation;
- (iv) in respect of a Performance Incident Trouble Ticket, a 'Held' Status is applied to that Performance Incident Trouble Ticket while **nbn** seeks to resolve a Service Fault Trouble Ticket that was submitted in respect of the same Ordered Product;
- (v) a 'Monitoring' Status is applied to any Trouble Ticket; or
- (vi) a 'Resolved' Status is applied to any Trouble Ticket,
- measurement of **nbn**'s performance, and the accrual of any Commercial Rebates, will be suspended for the period that matter causes or contributes to that status.

## 20.2 Calculating time

- (a) Unless otherwise specified:

<u>If the period of time is expressed to:</u>	<u>then the period of time:</u>
<u>occur within a number of Business Days</u>	<ul style="list-style-type: none"> <li><u>ends at the end of the last Operational Hour on the last of those Business Days; and</u></li> <li><u>excludes the day on which the relevant order is placed or <b>nbn</b> designates that the Ordered Product requires a Network Activity or Interference Mitigation.</u></li> </ul>
<u>begin from a specified day or hour</u>	<u>excludes that particular day or hour (as the case may be).</u>
<u>end, for a Service Fault, upon rectification</u>	<u>ends on the earlier of:</u> <ul style="list-style-type: none"> <li><u>when <b>nbn</b> first sends RSP a Closed Notification; and</u></li> <li><u>when <b>nbn</b> designates that the Ordered Product requires a Network Activity or Interference Mitigation.</u></li> </ul>
<u>end, for a Performance Incident, upon rectification</u>	<u>ends when <b>nbn</b> first sends RSP a Closed Notification</u>
<u>end, for Interference Mitigation, upon completion</u>	<u>ends when <b>nbn</b> first sends RSP a Closed Notification</u>

- (b) For the purposes of calculating the Business Day on which **nbn** completes an Activity, if **nbn** completes an Activity outside of Operational Hours, the Activity is deemed to have been completed during the immediately preceding Operational Hour.

## 20.3 Calculating Service Level and Performance Objective achievement

- (a) **nbn**'s performance of each Daily Measured Activity will be calculated in accordance with the following formula:

$$\text{Performance} = \frac{\text{Target Operational Hours} - \text{Actual Operational Hours}}{\text{Target Operational Hours}}$$

Where:

- (i) **Daily Measured Activity** means any of:

- (A) an Activity that is subject to a Service Level in relation to which a Commercial Rebate accrues on a Rebate Day basis; and



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(B) an Activity notified from time to time by **nbn** as being a Daily Measured Activity.

(ii) **Target Operational Hours** means the total number of Operational Hours permitted under the Service Level or Performance Objective, plus the total number of any Operational Hours excluded under section 20.2; and

(iii) **Actual Operational Hours** means the total number of Operational Hours taken to perform the relevant Activity as calculated from the time that measurement starts under section 20.1(c)(i) until measurement ends under sections 20.1(c)(ii) and 20.2 (as applicable), less any time that is excluded under sections 20.1(d), 21 or 22 (as applicable).

(b) If Performance under section 20.3(a) is:

(i) zero or a positive number, **nbn** will have met the relevant Service Level or Performance Objective; or

(ii) a negative number, **nbn** will not have met the relevant Service Level or Performance Objective.

## 20.4 Rebate Day Calculation

For the purposes of calculating any Commercial Rebate that accrues on a Rebate Day basis:

(a) subject to sections 20.4(b), Rebate Days will be calculated in accordance with the following formula:

$$\text{Rebate Days} = \frac{\text{Excess Operational Hours}}{\text{Operational Hour Allocation}}$$

Where:

**Excess Operational Hours** means the Performance calculated under section 20.3, expressed as a positive number; and

**Operational Hour Allocation** means the number of Operational Hours available in each day or Business Day (as applicable) for the relevant Activity, as specified under section 20.1(b); and

(b) any partial Rebate Days will be rounded up to a full Rebate Day.

**For example:** If the Excess Operational Hours for a Service Fault rectification = 19, and the number of Operational Hours per Business Day for Service Fault rectifications = 9, the Rebate Days will be 3 (19 / 9 = 2.1, rounded up to 3).

## 20.5 Pro Rata measurement

If this Agreement is executed, terminated or expires part way through a measurement period, the measurement of **nbn**'s performance under this **nbn**<sup>®</sup> Ethernet Service Levels Schedule will be pro-rated to reflect that shorter period.

## 20.6 Effect of a Change to Service Class

If there is a change to a Service Class, the relevant performance standard applicable to the new Service Class will apply for the purposes of this **nbn**<sup>®</sup> Ethernet Service Levels Schedule from the time of change.

## 21. Exclusions

- (a) The sole consequence of a failure of **nbn** to achieve a Service Level or Performance Objective will be the consequence (if any) specified in this **nbn**<sup>®</sup> Ethernet Service Levels Schedule and a failure to achieve a Service Level or a Performance Objective will not be regarded as a breach of the Agreement.
- (b) Service Levels and Performance Objectives do not apply, and Commercial Rebates do not accrue, for the period and to the extent that:
- (i) this Agreement provides that **nbn** does not have an obligation to perform in accordance with the Service Levels or Performance Objectives;
  - (ii) this Agreement provides that the relevant Commercial Rebate does not accrue; or
  - (iii) **nbn**'s ability to perform a relevant Activity is adversely affected by an Excluded Event or an RSP Event.
- (c) Without limiting section 21(b), Service Levels and Performance Objectives do not apply, and Commercial Rebates do not accrue, for the period and to the extent that **nbn**'s ability to perform a relevant Activity is adversely affected by:
- (i) inaccuracy, incompleteness, inadequacy in performance or unavailability of the FNN/ULL Database;
  - (ii) any inability of **nbn** or its Personnel to gain access to a location necessary to perform works;
  - (iii) in respect of the FTTC Network, any failure to obtain, or withdrawal of, an In-building Wiring Consent;
  - (iv) any act or omission of an End User (or any of their respective Personnel) in connection with installing, moving, removing or altering any **nbn**<sup>®</sup> Equipment other than in accordance with any associated terms of supply, installation or use or any applicable Authorisation to Alter;
  - (v) Common MDU Site Equipment or In-building Wiring;
  - (vi) in respect of the Satellite Network:
    - (A) where **nbn** or its Personnel cannot make contact with an Appointment Representative to schedule an Actual Appointment or Actual Trouble Ticket Appointment in accordance with the WBA Operations Manual; or
    - (B) Satellite Limitations;
  - (vii) the time taken to obtain a Government Agency approval, permit or licence; or
  - (viii) the time taken for an electricity company or utility to perform any works or provide any other inputs, including as part of any design process conducted in conjunction with **nbn**.
- (d) Without limiting section 21(b), where RSP selects an Appointment in respect of an order or Trouble Ticket that is not the earliest available appointment for that order or Trouble Ticket (as applicable), Service Levels and Performance Objectives do not apply for the period from the earliest available Appointment until the time of the Appointment selected by RSP.
- (e) The Service Levels and Performance Objectives in this Service Levels Schedule do not apply in respect of the first Satellite Test Service supplied to RSP or any Activity that is required or performed in connection with the first Satellite Test Service to the extent set out in section 34 of the **nbn**<sup>®</sup> Ethernet Product Terms.

(f) This section 21 does not apply to the extent of any inconsistency with section 22.

## 22. Connection and Assurance Exclusions

(a) Despite anything else in this nbn<sup>®</sup> Ethernet Service Levels Schedule, section 22(b) sets out the only matters, things, events or circumstances in respect of which:

(i) End User Connection and End User Fault rectification Service Levels and Performance Objectives do not apply or for which the measurement of such Service Levels and Performance Objectives are suspended; and

(ii) Connection Rebates and Service Fault Rebates do not accrue,

(Connection and Assurance Exclusions).

(b) The Connection and Assurance Exclusions are:

(i) a 'Pending' Status is applied to any order or Trouble Ticket awaiting action from RSP, a Downstream Service Provider or an End User;

(ii) where RSP cancels or reschedules an Appointment, in which case, the relevant Service Level, Performance Objective or Rebate accrual is suspended until the date of any rescheduled Appointment;

(iii) the exclusions set out in sections 20.1(d)(iii) to 20.1(d)(vi); and

(iv) the exclusions set out in section 21(b)(iii) and sections 21(c) to 21(e).

## 23. Service Fault Commitment

(a) A circumstance in which an nbn<sup>®</sup> Ethernet (FTTN) Ordered Product or nbn<sup>®</sup> Ethernet (HFC) Ordered Product is subject to more than 7 unexpected dropouts within the day on which a Service Fault Trouble Ticket is raised or any of the 2 previous calendar days, which otherwise meets the definition of a Service Fault, is a Service Fault.

(b) Section 23(a) does not affect any obligations of the RSP to comply with operational or other obligations, such as the obligation to submit a Service Fault Trouble Ticket.

## 24. Continued operational reporting

nbn will provide the following reporting in the same form as provided as at 22 November 2022 or in improved form:

(a) supplementary service level reporting;

(b) Wireless Network performance reporting; and

(c) line rate and information rate reporting for Ordered Products delivered by means of the FTTB Network, FTTN Network or FTTC Network.

## 25. Definitions

For the purposes of sections 1 to 24:

**Isolated Area** means any area which is defined as a 'Very Remote' or 'Remote' geographical area in the most recent 'Accessibility Remoteness Index of Australia plus (ARIA+)' published by the Australian Population and Migration Research Centre of the University of Adelaide as at 26 April 2016.

Attachment I (Benchmark Service Standards for First Regulatory Cycle)

**Limited Access Area** means any area that cannot reasonably be accessed by road and would require some element of air or water transportation, including where the area would otherwise be an Urban Area, Major Rural Area, Minor Rural Area, Remote Area or Isolated Area.

**Major Rural Area** means an urban centre or other recognised community grouping with a population greater than 2,500 but less than 10,000 people.

**Minor Rural Area** means an urban centre, locality or recognised community grouping with a population greater than 200 but not more than 2,500 people.

**Remote Area** means an area in which the relevant Premises is located which is not an Urban Area, Major Rural Area, Minor Rural Area, Isolated Area or Limited Access Area.

**Urban Area** means an urban centre with a population equal to or greater than 10,000 people.

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## Schedule 4B Building Block Model parameters for the First Regulatory Cycle

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### 4B.1 Building Block Model parameters

In respect of the First Regulatory Cycle:

- (a) Attachment J sets out building block model parameters, but does not set out the values of the Annual WAPC Revenue Requirement, Annual WAPC Services Forecast Revenue and Annual Non-WAPC Core Services Forecast Revenue, given that the WAPC Factor Change Year is not forecast to occur within the First Regulatory Cycle;
- (b) the Forecast Nominal ABBRR for each Financial Year within the First Regulatory Cycle has been calculated in accordance with, and for the purposes of, clauses 2G.2.1 and 2G.2.3;
- (c) the Forecast Nominal Core Services ABBRR for each Financial Year within the First Regulatory Cycle has been calculated in accordance with, and for the purposes of, clauses 2G.2.2 and 2G.2.3;
- (d) the forecast Real RAB at the start of the First Regulatory Cycle has been forecast in accordance with, and for the purposes of, clause 2G.5.6(a)(i)(A); and
- (e) the forecast Real Core Services RAB Portion at the start of the First Regulatory Cycle has been forecast in accordance with, and for the purposes of, clause 2G.5.7(a)(i).

## Attachment J (Building Block Model parameters)

**Attachment J Building Block Model parameters**

<b>Item</b>	<b>Calculated in accordance with / for the purposes of the following clauses</b>	<b>Units</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<a href="#">Estimated average annual rate of inflation expectations over the Regulatory Cycle (<math>\pi</math>)</a>	<a href="#">2G.1.4</a>	<a href="#">Percentage</a>	<a href="#">3.69%</a>	<a href="#">3.69%</a>	<a href="#">3.69%</a>
<a href="#">Cumulative Inflation Factor</a>	<a href="#">2G.1.4</a>	<a href="#">Factor</a>	<a href="#">1.312</a>	<a href="#">1.360</a>	<a href="#">1.410</a>
<a href="#">Statutory company taxation rate</a>	<a href="#">2G.7.2</a>	<a href="#">Percentage</a>	<a href="#">30%</a>	<a href="#">30%</a>	<a href="#">30%</a>
<a href="#">Gamma</a>	<a href="#">2G.7.4</a>	<a href="#">Number</a>	<a href="#">0.585</a>	<a href="#">0.585</a>	<a href="#">0.585</a>
<a href="#">Forecast Nominal RAB (start period)</a>	<a href="#">2G.5.8(b)</a>	<a href="#">\$'000</a>	<a href="#">30,847,679</a>	<a href="#">31,971,331</a>	<a href="#">32,190,400</a>
<a href="#">Forecast Nominal RAB (end period)</a>	<a href="#">2G.5.8(b)</a>	<a href="#">\$'000</a>	<a href="#">31,971,331</a>	<a href="#">32,190,400</a>	<a href="#">32,415,302</a>
<a href="#">Forecast Real RAB (start period)</a>	<a href="#">2G.5.6</a>	<a href="#">\$'000</a>	<a href="#">24,382,287</a>	<a href="#">24,371,136</a>	<a href="#">23,664,894</a>
<a href="#">Forecast Real RAB (end period)</a>	<a href="#">2G.5.6</a>	<a href="#">\$'000</a>	<a href="#">24,371,136</a>	<a href="#">23,664,894</a>	<a href="#">22,982,189</a>
<a href="#">Forecast Nominal Capital Expenditure</a>	<a href="#">-</a>	<a href="#">\$'000</a>	<a href="#">3,470,094</a>	<a href="#">2,884,109</a>	<a href="#">3,174,651</a>
<a href="#">Forecast Real Capital Expenditure</a>	<a href="#">2G.5.6</a>	<a href="#">\$'000</a>	<a href="#">2,645,187</a>	<a href="#">2,120,264</a>	<a href="#">2,250,802</a>
<a href="#">Forecast Real Disposals</a>	<a href="#">2G.5.6</a>	<a href="#">\$'000</a>	<a href="#">-</a>	<a href="#">-</a>	<a href="#">-</a>
<a href="#">Forecast Nominal Disposals</a>	<a href="#">-</a>	<a href="#">\$'000</a>	<a href="#">-</a>	<a href="#">-</a>	<a href="#">-</a>

## Attachment J (Building Block Model parameters)

<u>Item</u>	<u>Calculated in accordance with / for the purposes of the following clauses</u>	<u>Units</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
<a href="#">Forecast Real Depreciation</a>	<a href="#">2G.5.6</a>	<a href="#">\$'000</a>	<a href="#">2,656,337</a>	<a href="#">2,826,506</a>	<a href="#">2,933,507</a>
<a href="#">Forecast Nominal Tax Depreciation</a>	<a href="#">2G.7.1</a>	<a href="#">\$'000</a>	<a href="#">3,032,242</a>	<a href="#">3,275,928</a>	<a href="#">3,436,442</a>
<a href="#">Forecast nominal regulatory depreciation</a>	<a href="#">2G.2.1</a>	<a href="#">\$'000</a>	<a href="#">2,346,443</a>	<a href="#">2,665,040</a>	<a href="#">2,949,749</a>
<a href="#">Forecast Operating Expenditure (nominal)</a>	<a href="#">2G.2.1</a>	<a href="#">\$'000</a>	<a href="#">2,931,865</a>	<a href="#">2,949,735</a>	<a href="#">3,006,680</a>
<a href="#">Annual Construction in Progress Allowance (nominal)</a>	<a href="#">2G.2.3(b)</a>	<a href="#">\$'000</a>	<a href="#">153,608</a>	<a href="#">136,572</a>	<a href="#">125,765</a>
<a href="#">Forecast Tax Allowance (nominal)</a>	<a href="#">2G.7.2</a>	<a href="#">\$'000</a>	<a href="#">-</a>	<a href="#">-</a>	<a href="#">-</a>
<a href="#">Forecast Nominal ABBRR</a>	<a href="#">2G.2.1</a>	<a href="#">\$'000</a>	<a href="#">7,800,179</a>	<a href="#">8,218,201</a>	<a href="#">8,587,325</a>
<a href="#">Forecast Real ABBRR</a>	<a href="#">2G.2.4(g)</a>	<a href="#">\$'000</a>	<a href="#">5,945,928</a>	<a href="#">6,041,642</a>	<a href="#">6,088,344</a>
<a href="#">Nominal rate of return (<math>R_t^{nominal}</math>)</a>	<a href="#">2G.2.4</a>	<a href="#">Percentage</a>	<a href="#">7.677%</a>	<a href="#">7.716%</a>	<a href="#">7.782%</a>
<a href="#">Expected return on equity (<math>Re</math>)</a>	<a href="#">2G.2.4</a>	<a href="#">Percentage</a>	<a href="#">9.221%</a>	<a href="#">9.221%</a>	<a href="#">9.221%</a>
<a href="#">Expected return on debt (<math>Rd_t</math>)</a>	<a href="#">2G.2.4</a>	<a href="#">Percentage</a>	<a href="#">5.019%</a>	<a href="#">5.124%</a>	<a href="#">5.304%</a>
<a href="#">Benchmark gearing ratio (<math>G</math>)</a>	<a href="#">2G.2.4</a>	<a href="#">Factor</a>	<a href="#">36.730%</a>	<a href="#">36.730%</a>	<a href="#">36.730%</a>
<b><a href="#">Core Regulated Services</a></b>					
<a href="#">Forecast Nominal Core Services RAB Portion (start period)</a>	<a href="#">2G.5.9(b)</a>	<a href="#">\$'000</a>	<a href="#">30,444,895</a>	<a href="#">31,452,607</a>	<a href="#">31,563,520</a>

## Attachment J (Building Block Model parameters)

<u>Item</u>	<u>Calculated in accordance with / for the purposes of the following clauses</u>	<u>Units</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
<u>Forecast Nominal Core Services RAB Portion (end period)</u>	<u>2G.5.9(b)</u>	<u>\$'000</u>	<u>31,452,607</u>	<u>31,563,520</u>	<u>31,681,648</u>
<u>Forecast Real Core Services RAB Portion (start period)</u>	<u>2G.5.7</u>	<u>\$'000</u>	<u>24,063,922</u>	<u>23,975,723</u>	<u>23,204,041</u>
<u>Forecast Real Core Services RAB Portion (end period)</u>	<u>2G.5.7</u>	<u>\$'000</u>	<u>23,975,723</u>	<u>23,204,041</u>	<u>22,462,034</u>
<u>Forecast Nominal Core Services Capital Expenditure</u>	<u>=</u>	<u>\$'000</u>	<u>3,341,684</u>	<u>2,761,851</u>	<u>3,052,257</u>
<u>Forecast Real Core Services Capital Expenditure</u>	<u>2G.5.7</u>	<u>\$'000</u>	<u>2,547,302</u>	<u>2,030,385</u>	<u>2,164,026</u>
<u>Forecast Nominal Core Services Disposals</u>	<u>=</u>	<u>\$'000</u>	<u>=</u>	<u>=</u>	<u>=</u>
<u>Forecast Real Core Services Disposals</u>	<u>2G.5.7</u>	<u>\$'000</u>	<u>=</u>	<u>=</u>	<u>=</u>
<u>Forecast Real Core Services Depreciation</u>	<u>2G.5.7</u>	<u>\$'000</u>	<u>2,635,502</u>	<u>2,802,068</u>	<u>2,906,033</u>
<u>Forecast Nominal Tax Depreciation in respect of the forecast Nominal Core Services RAB Portion</u>	<u>2G.7.1</u>	<u>\$'000</u>	<u>3,009,374</u>	<u>3,248,321</u>	<u>3,405,173</u>
<u>Forecast nominal regulatory depreciation in respect of the forecast Nominal Core Services RAB Portion</u>	<u>2G.2.2</u>	<u>\$'000</u>	<u>2,333,972</u>	<u>2,650,939</u>	<u>2,934,129</u>
<u>Forecast Nominal Core Services Operating Expenditure</u>	<u>2G.2.2</u>	<u>\$'000</u>	<u>2,858,360</u>	<u>2,860,664</u>	<u>2,911,605</u>
<u>Forecast Nominal Construction in Progress in respect of Core Regulated Services (start period)</u>	<u>2G.2.3(c)</u>	<u>\$'000</u>	<u>1,926,766</u>	<u>1,694,985</u>	<u>1,553,746</u>
<u>Forecast Annual Construction in Progress Allowance (nominal) in respect of Core Regulated Services</u>	<u>2G.2.3(c)</u>	<u>\$'000</u>	<u>147,923</u>	<u>130,782</u>	<u>120,916</u>
<u>Forecast Core Services Tax Allowance (nominal)</u>	<u>2G.7.3</u>	<u>\$'000</u>	<u>=</u>	<u>=</u>	<u>=</u>



## Attachment J (Building Block Model parameters)

<u>Item</u>	<u>Calculated in accordance with / for the purposes of the following clauses</u>	<u>Units</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
<a href="#">Forecast Nominal Core Services ABBRR</a>	=	<a href="#">\$'000</a>	<a href="#">7,677,597</a>	<a href="#">8,069,215</a>	<a href="#">8,422,997</a>
<a href="#">Forecast Real Core Services ABBRR</a>	<a href="#">2G.2.4(g)</a>	<a href="#">\$'000</a>	<a href="#">5,852,486</a>	<a href="#">5,932,114</a>	<a href="#">5,971,837</a>
<a href="#">Annual Core Services Forecast Revenue</a>	<a href="#">5.3(a)(iv)</a>	<a href="#">\$'000</a>	<a href="#">5,609,886</a>	<a href="#">5,792,387</a>	<a href="#">6,157,162</a>
<a href="#">Forecast Annual RBS Amount</a>	<a href="#">2G.4.1</a>	<a href="#">\$'000</a>	<a href="#">29,601</a>	<a href="#">32,315</a>	<a href="#">41,510</a>