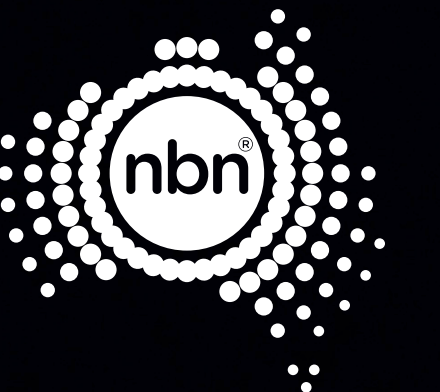


REPLACEMENT MODULE APPLICATION

STAKEHOLDER ENGAGEMENT STRATEGY

October 2024



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nbn acknowledges First Nations peoples and recognises their role as the Traditional Owners of the lands and waters across Australia. We are privileged to work across all corners of this vast country and pay our respects to all Elders past, present and emerging.



FOREWORD

Lifting the digital capability of Australia

There are few certainties in life, but there is one thing I can say with absolute confidence: the future is digital. Since NBN Co's inception in 2009, the company has been working to lift the digital capability of Australia.

We have rolled out the nbn® network across Australia. And we have connected more than 8.6 million homes and businesses. But the work does not stop there.

Like any network, anywhere in the world, we are planning and investing for a future that will require faster internet speeds and more capacity to serve greater data demands than ever before.

We, at NBN Co, want and need your help to design and deliver that digital future for Australia.

I am pleased to welcome you into this journey. We value your engagement and input. Thank you.

We will listen to, and reflect on, customers' and stakeholders' views and priorities as part of this plan to inform our proposals for the next Regulatory Cycle.

We have recently completed more than two years of intensive consultation with Retail Service Providers (RSPs), consumer advocacy groups and the Australian Competition and Consumer Commission (ACCC) on the framework for regulating the wholesale prices and certain non-price terms for nbn's key wholesale broadband services. We are now operating under this regulatory framework.

As part of this process, we would like to start a conversation with you on our proposals. We will listen to your views and will take into account your input to help set our priorities for future capital investment on network infrastructure and service standards for the next Regulatory Cycle.

This consultation starts now, with this document, and will continue over the coming months as we work towards lodgement of our Replacement Module Application with the ACCC by July 2025, which will come into effect at the start of the next Regulatory Cycle on 1 July 2026. We hope you find the detail in this document useful and informative.

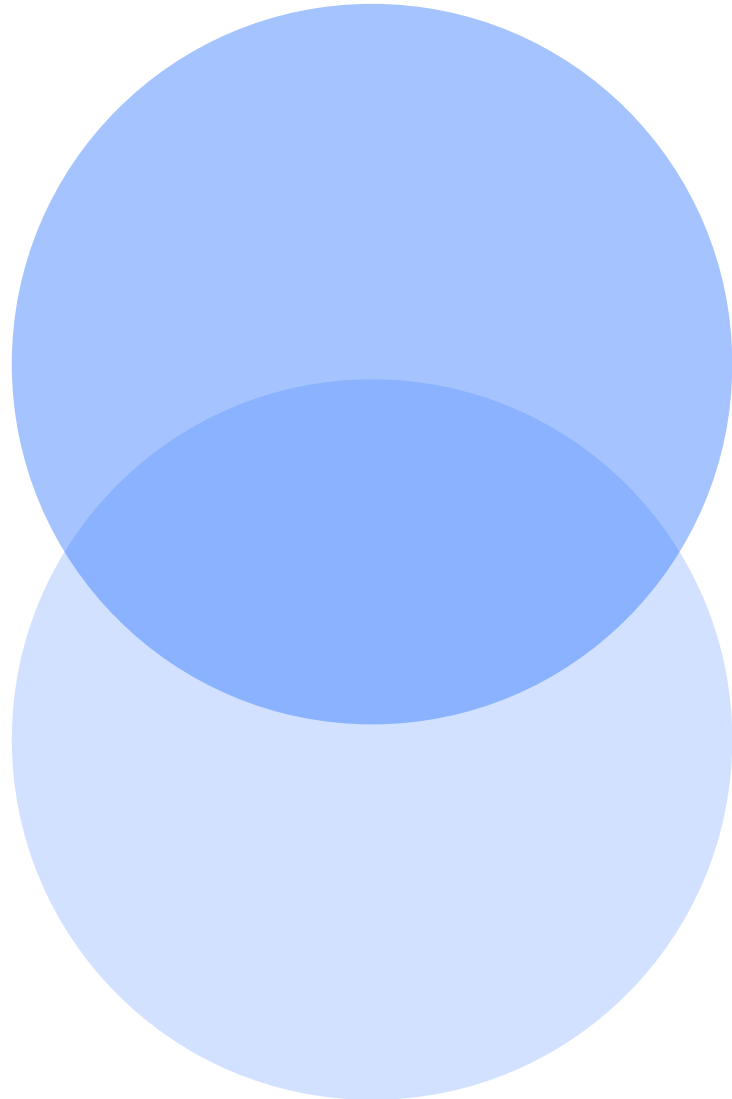
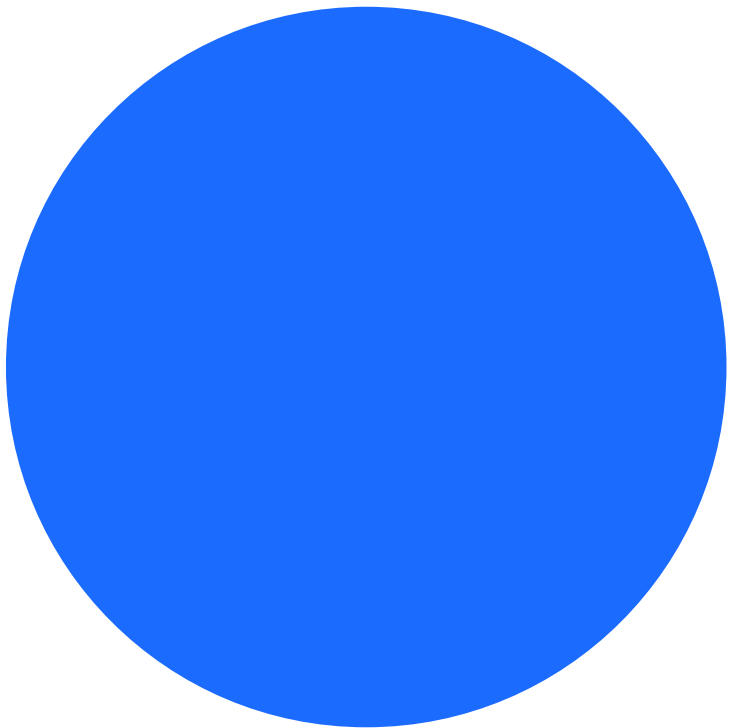
Thank you for your participation in this consultation process.



Philip Knox
Interim Chief Executive Officer,
NBN Co

GLOSSARY

Term	Definition
Customer	People in Australian homes and businesses using services on the nbn® network.
Benchmark Service Standards	A set of regulated service levels and performance objectives for nbn’s key layer 2 wholesale broadband service, and any rebates payable by nbn and/or corrective action required by nbn where it does not meet those service levels and performance objectives. The SAU requires nbn to include in its standard form wholesale supply contract with RSPs (known as its Standard Form of Access Agreement) an obligation to meet or exceed service standards that are no less favourable to RSPs than the applicable Benchmark Service Standards.
Consumer advocacy group or consumer advocates	Organisations or entities who advocate for Australian customers of telecommunication products and services.
Entry Level Offer	<p>The speed tier on each of nbn’s fixed-line and fixed wireless networks that is subject to a stricter individual price control under the SAU. Under this price control prices may only increase each year by up to CPI.</p> <p>As part of its RMA, nbn must propose the speed tier which will be the ‘Entry Level Offer’ for the next Regulatory Cycle. Among other requirements, it must be a speed tier that nbn reasonably considers to be its ‘entry level service’ and have a download speed that is lower than nbn’s most popular speed tier.</p>
Replacement Module Application or RMA	The proposal that nbn will submit to the Australian Competition and Consumer Commission by 2 July 2025 setting out nbn’s proposals for the Regulatory Cycle commencing 1 July 2026, including in respect of expenditure, service standards, the entry level offer and length of the regulatory cycle.
Retail Service Provider or RSP	<p>Retail Service Providers acquire wholesale broadband services from nbn and supply broadband service solutions to customers using services on the nbn® network.</p> <p>In this document, references to Retail Service Providers also include access seekers – a service provider who makes, or proposes to make, a request to take supply of a regulated telecommunication service supplied by nbn, including so the provider can be a wholesaler or retailer of nbn services.</p>
Special Access Undertaking or SAU	The Special Access Undertaking given by nbn to the Australian Competition and Customer Commission, as varied on 17 October 2023. The Special Access Undertaking is a key part of the regulatory framework that governs the prices and certain non-price terms on which nbn – as the operator of a wholesale open access telecommunications network – supplies services to retail service providers.
Stakeholder	Individuals, a group of individuals, organisations or a political entity with a specific stake in the outcome of a decision to the impact of a policy, project or proposition.





EXECUTIVE SUMMARY

NBN Co (nbn) was established in 2009 as a Government Business Enterprise (GBE), wholly owned by the Commonwealth Government. The principal responsibility of the company is to operate and continue to build and upgrade the national broadband network (nbn® network) in accordance with the Government’s Statement of Expectations (SoE).

nbn operates as a wholesale-only national broadband network provider, providing access to retail phone and internet companies (Retail Service Providers or RSPs)¹ who, in turn, can supply broadband services to residential and business customers across Australia.

nbn supplies telecommunications services which are regulated by the Australian Competition and Consumer Commission (ACCC). nbn’s Special Access Undertaking (SAU) is a long term undertaking given by nbn to the ACCC, and is a key part of the regulatory framework that governs the prices and certain non-price terms on which nbn – as the operator of a wholesale open access telecommunications network – supplies services to RSPs.

Under the SAU (as varied in October 2023), the current Regulatory Cycle is for three years, from 1 July 2023 to 30 June 2026. Prior to the end of the cycle, nbn must submit to the ACCC a ‘Replacement Module Application’ (RMA) setting out nbn’s proposals for the next Regulatory Cycle, including in respect of expenditure, service standards and entry level offers and length of the regulatory cycle. The ACCC will consider nbn’s proposals and can make a determination about those matters for the next Regulatory Cycle commencing on 1 July 2026.

The ACCC notified nbn on 1 July 2024 that the Replacement Module Application for the next Regulatory Cycle must be lodged by 2 July 2025.

The purpose of this document is to outline nbn’s Engagement Strategy to support the development of the RMA, including our approach to consulting with a range of stakeholders, and details:

- why engagement is needed
- nbn’s approach to engagement with RSPs, consumer advocacy groups, other industry stakeholders and customers
- when engagement will occur
- how feedback from engagement will inform nbn’s proposal.

nbn’s approach to this engagement has been informed by the company’s understanding of good practice and insights into other regulated sectors. This program is being supported by engagement experts to develop and deliver an Engagement Strategy that helps stakeholders have their say on nbn’s future expenditure plans, service standards and the entry level offer.



¹ In this document, references to Retail Service Providers or RSPs include access seekers – a service provider who makes, or proposes to make, a request to take supply of a regulated telecommunication service supplied by nbn, including so the provider can be a wholesaler or retailer of nbn services.

01 THE REGULATORY PROCESS

The SAU requires nbn to periodically set out its plans on certain matters for the coming years in a Replacement Module Application (RMA, or nbn’s proposals). These are provided to the ACCC following stakeholder consultation.

The ACCC reviews these plans, and can then make a determination on these matters in a Replacement Module Determination.

In July 2025, nbn will submit its proposal to the ACCC for its next regulatory cycle, which begins 1 July 2026. nbn’s proposal will include a proposal on:

- nbn’s expenditure for the next regulatory cycle (the expenditure proposal);
- the service standards which will act as a regulatory benchmark for nbn in the upcoming regulatory cycle (the service standards proposal);
- the entry level offer, which will be subject to an individual price control of CPI in addition to the weighted average price cap (the entry level offer proposal); and
- the length of the next regulatory cycle.

These proposals will be informed and shaped by a range of technical and economic assessments as well as feedback from consumer advocacy groups, RSPs and customers of broadband services.

A high-level program for nbn’s proposal process is outlined adjacent.



02 A CALL FOR COLLABORATIVE ENGAGEMENT

2.1 Why is nbn seeking to engage?

When developing its expenditure plans and benchmark service standards, nbn needs to understand and balance the diverse needs of customers, RSPs and various other stakeholders.

Proactively seeking the views of stakeholders enables nbn to make better business decisions.

Since 2013, nbn has developed productive relationships with RSPs, peak industry and community groups and other stakeholders, who we seek feedback from on a range of matters. We also seek feedback from RSPs and some consumer advocacy groups during the design of nbn products and service improvements.

nbn's aim is to build on these existing relationships and extend its engagement to customers. The engagement for the RMA will include conversations on nbn's future investment plans, and seek customer and stakeholder input into its proposal to the ACCC.

2.2 Why should stakeholders engage with nbn?

The future is digital and the nbn[®] network will need to deliver faster upload and download speeds and deliver far greater data capacity. nbn continues to focus on expanding and improving the nbn[®] network, which is essential to meeting current and future demand.

nbn would like stakeholders to help shape future priorities. Participating in this engagement process enables stakeholders to present their views and interests and provides them an opportunity to influence nbn's expenditure plans, quality of products and services delivered via the nbn network, and nbn's benchmark service standards for the next Regulatory Cycle.

nbn is committed to listening to and reflecting on stakeholders' views and priorities in its proposals for the next Regulatory Cycle.

Key stakeholders for this engagement process are:

- Retail Service Providers
- Customers (people in Australia who access broadband via the nbn[®] network)
- Consumer advocates (organisations that advocate on behalf of customers across Australia)

2.3 Key themes of engagement

The engagement process will start out broadly and explain nbn's context, current expenditure plans, and the entry level offer and seek initial views. The process will then move to deeper engagement on a select range of topics including investments required to enable greater than 2Gbps speeds, resilience planning, nbn's climate transition plan, migration under the fibre upgrade program, and benchmark service standards. This is where nbn is seeking input and feedback from stakeholders.

This engagement will build on current and previous engagements with our stakeholders including the current engagement with RSPs on service standards.



03 ENGAGEMENT PRINCIPLES, GOALS AND LEVEL OF ENGAGEMENT

nbn has used the engagement framework called IAP2 – the International Association for Public Participation (IAP2) to guide the design of our engagement approach.

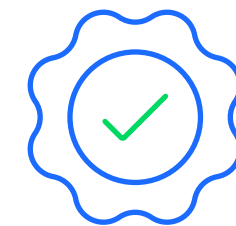
3.1 Principles

nbn is committed to the following principles as part of this Engagement Strategy.



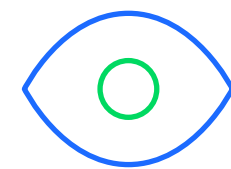
Be ambitious

The RMA engagement provides an opportunity to tackle real and longstanding issues and seek input from stakeholders and customers on solutions that benefit customers.



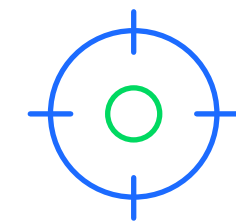
Be genuine

nbn will engage on the things that stakeholders and customers can influence and be honest on the things they can't.



Be clear

nbn will take the time to explain the complexities of the nbn® network and business, and what is being asked of customers and stakeholders.



Be targeted

nbn appreciates that different stakeholder groups will have different capacities to engage on the complexity of our regulatory framework and our proposals in respect of expenditure, service standards and entry level offers - we will have the right level of conversation with each stakeholder group.

3.2 Engagement goals

Reflecting these principles, the goals of the RMA engagement are to:

- Invite a cross-section of customers, RSPs, consumer advocacy groups and other stakeholders to participate in engagement activities about future broadband services;
- Be clear on what stakeholders can influence and areas where stakeholders have limited influence in this process to achieve the Australian Government's Statement of Expectations and the SAU requirements;
- Build trust and confidence in our engagement participants that future nbn planning has customers at the heart of its thinking; and
- Commit to an ongoing conversation that leads to stakeholder and customer-shaped business decision-making in the longer term.

ENGAGEMENT PRINCIPLES, GOALS AND LEVEL OF ENGAGEMENT

3.3 Level of engagement

The IAP2 determines that public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.

The IAP2 Spectrum is a tool used to determine the level of influence stakeholders can have over a decision, change or proposition, outlining participation levels, accompanied by a ‘promise’ from the decision-making party. These engagement promises are important because they hold organisations to account while being honest about what stakeholders can influence.

For the RMA Engagement and the issues or topics that participants can have a greater influence on, nbn will aim to achieve the *Involve* level and participants’ views are considered in the nbn proposals. Where there are limitations on what can be influenced in the short to medium term, the company will aim to achieve the *Consult* level.

nbn commits to being clear at the start of each discussion as to the level of engagement, according to the IAP2 Spectrum, and to:

- genuinely listen to feedback;
- channel feedback through nbn to inform business decision-making; and
- explain how nbn has responded to the feedback and how RSPs, consumer advocate groups and customers have influenced the expenditure and service standards proposal.

Figure 1: IAP2 Spectrum of Public Participation

IAP2’s Spectrum of Public Participation was designed to assist with the selection of levels of participation that defines the public’s role in any public participation process. The Spectrum is used internationally, and it is found in public participation plans around the world.



Increasing impact on the decision →

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To obtain public feedback on analysis, alternatives and/or decisions.	To obtain public feedback on analysis, alternatives and/or decisions.	To obtain public feedback on analysis, alternatives and/or decisions.
Promise to the Public	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Source: © International Association for Public Participation Spectrum www.iap2.org

04 ENGAGEMENT METHODOLOGY

nbn is currently engaged in ongoing conversations with RSPs and various groups who advocate on behalf of customers across Australia.

nbn’s engagement process for its proposal to the ACCC starts in October 2024 and is planned to conclude in March 2025. However, the insights gained from existing conversations with stakeholders provide the company with a strong starting point.

nbn recognises that different issues and different stakeholder groups will need different methods of engagement. The company’s chosen methodology seeks to create targeted and meaningful engagement with a broad range of customers and interested stakeholders.

4.1 Engagement streams

Separate engagement streams or activities focus on three stakeholder groups – RSPs, consumer advocacy groups and customers. Figure 2 shows how the engagement activities work together.

nbn will invite stakeholders and the general community to provide input into the RMA engagement through consultation papers that will be available on the nbn website in late 2024 and early 2025.

Regulatory Proposal Forum

A Regulatory Proposal Forum (referenced in this document as the Forum) has been established for the duration of this engagement process. The Forum is independently chaired and members include representatives of consumer advocacy groups and independent members who are regulatory experts.

The purpose of the Forum is to represent the long-term perspectives of customers on the services supplied over the nbn network and to provide independent and constructive feedback to nbn on key positions and proposals for the upcoming Replacement Module Application.

The Forum was formed in October 2024. Members were selected through an Expression of Interest process based on having experience providing voice-of-customer inputs into customer forums, expertise and knowledge of the telecommunications industry, and familiarity with the regulatory requirements of nbn (or other similarly regulated sectors).

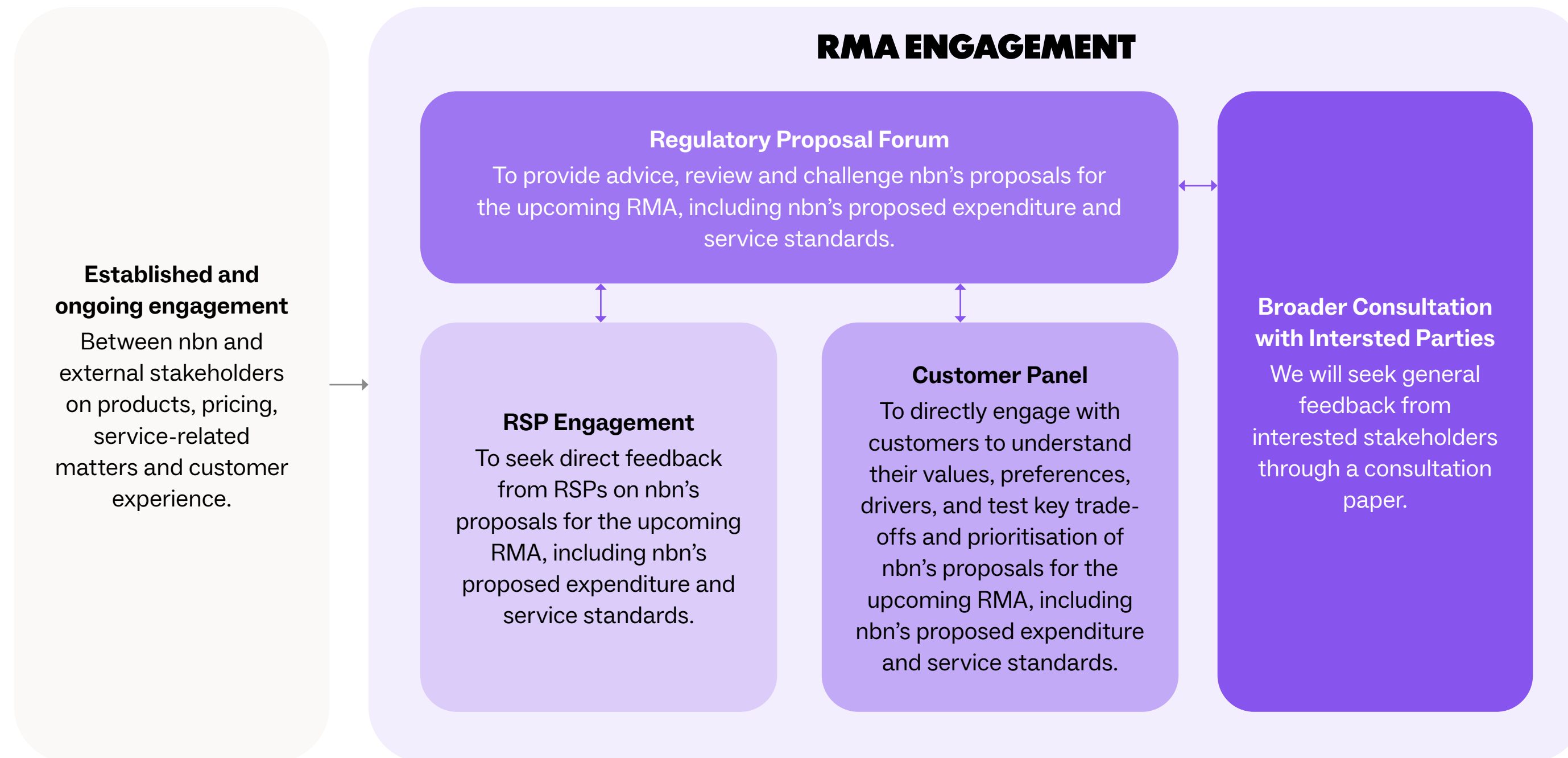


Figure 2: Engagement activities

ENGAGEMENT METHDODOLOGY

4.1 Engagement streams (continued)

Regulatory Proposal Forum

<p>Step 01</p> <ul style="list-style-type: none"> Establishment of the Forum Terms of reference, introductions, and discussion on the topics to be considered 	<p>Step 02</p> <p>Provide strategic advice on the approach to engaging customers</p>	<p>Step 03</p> <p>Five meetings to provide feedback on a range of service standard and expenditure topics</p>	<p>Step 04</p> <p>Forum is updated on the final RMA submission and reflects on the lessons learnt</p>
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Customer engagement process

<p>Step 01</p> <p>Education and capacity building to help people to examine these topics</p>	<p>Step 02</p> <p>Five meetings to examine a different future topic in each meeting</p>	<p>Step 03</p> <p>The group reflects on its journey and final preferences</p>
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RSP engagement process

<p>Step 01</p> <p>Examine existing engagement and feedback that nbn has with RSPs</p>	<p>Step 02</p> <p>Identify topics important to this process, that are not being covered by existing RSP discussions</p>	<p>Step 03</p> <p>Use a range of conversations with RSPs to examine future planning</p>	<p>Step 04</p> <p>Assess and reflect outcomes of RSP conversations into nbn's proposals</p>
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Customer engagement

Customers will be engaged through a representative panel. This group will represent the diversity of internet users and will consider preferences and trade-offs around service standards and expenditure.

The panel will consist of up to 50 participants recruited by a market research firm independently of nbn, and include a mix of customers from:

- diverse backgrounds and languages;
- metropolitan, rural and regional Australia;
- First Nations communities;
- people who access the internet at home for business, study and home entertainment; and
- small businesses who rely on the internet.

The nbn management team will present a range of ideas to the representative customer panel over five sessions. The process is above.

Retail Service Providers

nbn will consult with RSPs to seek direct feedback on future expenditure, service standards and other related matters, building on current and previous engagements with RSPs including current engagement on service standards.

The company will use a combination of approaches for RSP consultation to create deeper engagement on important topics in the context of our proposal and to facilitate efficient participation by RSPs. This will include:

- webinars to consider the topics nbn is seeking to engage on;
- consultation paper/s setting out nbn's positions and key questions we are seeking feedback on; and
- opt-in 1:1 discussions with RSPs to provide and explore feedback on key questions.

Each RSP can decide the mode(s) of engagement that work best for them and can also be selective in how they participate in the engagement process.



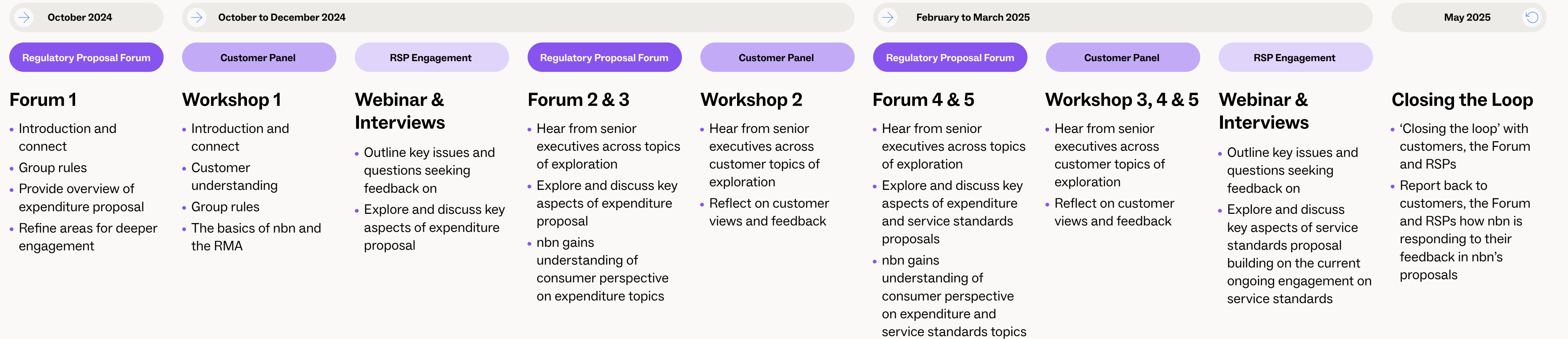
Wider consultation

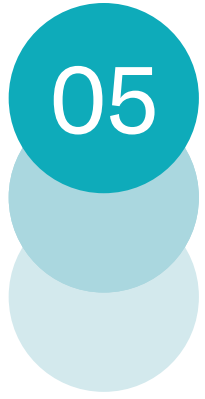
To supplement the engagement with each of these three engagement streams, nbn will seek broad feedback from our stakeholders through the release of consultation papers (published on the nbn website) on key positions and proposals for the RMA throughout the engagement period.

ENGAGEMENT METHDODOLOGY

4.2 Engagement process

nbn’s plan for engaging with customers and stakeholders is outlined below. nbn aims to continuously refine and improve on this plan.





05

EVALUATION

nbn will regularly check in with the different groups during consultation to evaluate progress performance against set goals.

nbn will measure:

- progress against stated engagement goals and principles (outlined on [page 8](#))
- the quality of each engagement session
- the scope of engagement by tracking how many stakeholders have been engaged to date, how often, and the participation of key nbn team members including Executive members.

The feedback received will be carefully considered to ensure alignment with the overall expectations of participants and engagement goals.

nbn will share a summary of the feedback received at key milestones and in the final RMA Engagement Outcomes Report.



Stated goals	Examples of evaluation questions
Invite a cross section of RSPs, consumer advocacy groups and customers and other stakeholders to participate in engagement activities about future internet services.	<ul style="list-style-type: none"> • Did nbn receive feedback from a cross-section of RSPs, consumer advocacy groups and customers on its proposals? • Did participants feel they had the opportunity to have their say on nbn’s proposals?
Be clear on what stakeholders can influence and areas where stakeholders have limited influence in this process to achieve in this process	<ul style="list-style-type: none"> • Was it clear to participants what nbn needs to do, what it can do, and what it can’t do? • Did participants feel that they were able to influence nbn on its proposals in areas of influence?
Build trust and confidence in engagement participants that future nbn planning has customers at the heart of our thinking.	<ul style="list-style-type: none"> • Did participants feel it was worthwhile engaging with nbn? • Did the conversations as part of the engagement process provide nbn with an understanding of the future internet needs of customers across Australia? • Was the information provided by nbn clear and able to be understood? • Did nbn answer participant questions sufficiently? • Did the engagement results and document reflect participants’ input? • Did participants’ feel that nbn has addressed and/or reflected their feedback in nbn’s proposals?
Commit to an ongoing conversation that leads to stakeholder and customer-shaped business decision-making in the longer term.	<ul style="list-style-type: none"> • Did nbn ask participants to think about what good future engagement could look like?

06 HOW TO HAVE YOUR SAY

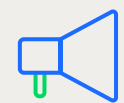
If you would like more information on this RMA Engagement Strategy or would like to receive updates on the progress of the RMA engagement, nbn invites you to:



Go to the [nbn website](#) to check the latest information.



Complete [this form](#) to register your interest in receiving updates directly to your inbox.



nbn will let you know when consultation papers are available for comment through the nbn website.



