

Fibre surge and new pricing threaten telco status quo

By Paul Budde

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A price increase in NBN services is expected based on a surge in high-speed fibre connections, writes [Paul Budde](#).

AS WE MENTIONED back in [February last year](#), Australia's fixed broadband market is set to enter a period of gradual but significant transformation, underpinned by wholesale pricing revisions and infrastructure modernisation initiatives led by the national broadband network operator.

Recent [changes](#) in wholesale access pricing, set to take effect in the 2025–26 financial year, reflect a strategy that balances modest increases with enhanced service capabilities and targeted business incentives. Simultaneously, market analysts are forecasting a medium-term reconfiguration of competitive dynamics, driven by the increasing penetration of high-speed fibre connections and the migration away from legacy technologies.

The upcoming financial year will mark the final

phase before a major pricing model transition. From July 2025, [NBN Co](#) will implement moderate price increases across its residential broadband tiers, with rises typically ranging from 2% to just under 3%, closely aligned with current inflation metrics. For example, the 100/20 Mbps plan will rise by approximately 2.3%, while receiving a substantial upgrade to deliver up to 500/50 Mbps from September.

Other premium tiers, such as the 250/25 Mbps and 1000/50 Mbps plans, will see similar adjustments, both in terms of price and performance, as part of the broader Speed Leadership program. Business-grade speed tiers will retain their list prices, though effective rates will be discounted through a new incentive scheme to encourage uptake of faster services among enterprise users.

These pricing changes are part of a broader evolution in the NBN's product architecture. The FY26 year is the last to offer legacy bundled pricing structures that combine access and capacity ([AVC](#) and [CVC](#)).

From FY27, a full transition to flat-rate wholesale pricing will commence, simplifying service offerings and eliminating capacity-based charges. This shift is intended to improve price transparency, reduce retailer complexity and support continued investment in the network as data consumption rises. The operator has cited a tenfold increase in average household data usage over the past decade, with further growth anticipated.

In parallel, the national [Fibre Connect program](#) – designed to upgrade homes still reliant on fibre-to-the-node ([FTTN](#)) or fibre-to-the-curb ([FTTC](#)) technologies – has begun to reshape the competitive landscape.

Market research suggests that approximately three million households remain on sub-100 Mbps plans, most of which are still served via copper-based infrastructure. This cohort represents a critical battleground for providers seeking to grow their market share through performance-driven churn.

According to independent analysis from [Kearney](#), major incumbents such as [Telstra](#) and [TPG](#) retain significant exposure to older technologies. Over one-third of Telstra's customer base and more than a quarter of TPG's remain on FTTN. In contrast, challenger brands like [Aussie Broadband](#) and [Superloop](#) are more advanced in transitioning their customer bases to fibre-to-the-premises ([FTTP](#)) and higher-speed offerings.

Superloop leads the market with over 40% of its users on FTTP connections, while Aussie Broadband has the highest proportion of customers on 100Mbps or faster plans.

This infrastructure divergence is creating opportunities for smaller, more agile providers to capture disaffected users from incumbent networks. Analysts predict two potential scenarios over the next two years: either challengers will continue to expand their footprint, increasing their share from 21% to potentially 30% by FY27, or incumbents will respond with defensive strategies such as bundled mobile services, hardware subsidies, or accelerated upgrade paths. Either way, the strategic significance of infrastructure readiness is increasing.

The combination of flat-rate wholesale pricing, faster speed tiers, and national fibre rollout presents both an opportunity and a risk for retail service providers.

Providers must now evaluate whether to focus on lifetime customer value rather than short-term margin, particularly as higher-speed tiers become the norm. Moreover, mobile network operators may face heightened competitive pressure from fixed-line broadband retailers pursuing converged service models that incorporate mobile offerings.

The transition to fibre-dominant connectivity, along with the erosion of customer inertia, signals a shift in the long-standing dynamics of Australia's broadband sector. Wholesale reforms and strategic upgrades are laying the groundwork for a more differentiated and competitive market — one where speed, reliability and service bundling will determine who leads in the post-legacy era.

[Paul Budde](#) is an IA columnist and managing director of independent telecommunications research and consultancy [Paul Budde Consulting](#). You can follow Paul on Twitter [@PaulBudde](#).