

Submission

7th December 2022

Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Re: Superfast broadband access service – access determination inquiry

The Australian Communications Consumer Action Network (ACCAN) thanks the Australian Competition and Consumer Commission (ACCC) for the opportunity to provide feedback on its Draft Decision regarding the Superfast Broadband Access Service (SBAS) access determination inquiry. ACCAN is the peak body that represents consumers on communications issues including telecommunications, broadband, and emerging new services. ACCAN provides a strong unified voice to industry and government as we work towards communications services that are trusted, inclusive and available for all.

The SBAS is a declared wholesale access service that retail service providers (RSPs) can use to supply fixed line superfast broadband services to end users. SBAS services are non-National Broadband Network (NBN) broadband services, capable of supplying a 25 megabits per second (Mbps) service. ACCAN supports the ACCC's proposal to regulate the price and non-price terms of access for the SBAS until July 2026.

Consumers should receive an affordable, reliable broadband service regardless of the network provider. We support the Draft Decision that:

- Benchmarks the 25Mbps and 50Mbps speed tiers to NBN, inclusive of the bundled access price.
- Regulates non-recurring charges, noting these charges may impede retail competition and create barriers to switching.
- Requires SBAS providers to provide data on reliability and performance of services to current and potential access seekers, and report actual performance against its service standards on a quarterly basis.
- Removes the exclusions from regulated access for small networks.

ACCAN supports the proposed changes to the SBAS determination. In our view the Draft Decision is in the long-term interests of end users and will ensure that consumers on these networks are no worse off than if they were connected to the NBN.

ACCAN does not support the decision to benchmark access prices for the Fibre Access Broadband Service¹ to Telstra's wholesale asymmetric digital subscriber line (ADSL) service, at download/upload

¹ The Fibre Access Broadband service is a superfast carriage service of download data transfer rates of 30 Mbps and upload data transfer rates of 1 Mbps or download data transfer rate of 100 Mbps and upload data transfer rate of 5Mbps. It is only supplied over the Telstra Velocity and South Brisbane networks.

speeds of 30/1 Mbps. The regulated access prices for Telstra's Fibre Access Broadband should be adjusted to better reflect the value end users are receiving from the services. We acknowledge that these networks have been sold, and the service is currently being withdrawn, and it is expected that the services will not be available after 2023. We are concerned that should the withdrawal of Telstra's Fibre Access Broadband service be delayed; consumers may continue to receive poor value for the service.

We note the recent reports regarding operational issues resulting in some delays to the Fibre Access Broadband network's migration.² The ACCC has suggested that they will consider reviewing the approach should the service continue to be available after 2023, where they will consider aligning the service with the nearest equivalent NBN service. We support the ACCC initiating a Final Access Determination variation inquiry to further examine access terms, should the services not be withdrawn by the fourth quarter 2023.

Furthermore, we do not support allowing the networks, which are exempt from the Regional Broadband Scheme (RBS) levy, the opportunity to charge prices benchmarked to NBN's wholesale prices, which are inclusive of the levy.³ It is unfair and distortionary to pass a cost onto households which is not being imposed on the network operator, nor is it in the long-term interests of end users. Where the RBS levy is not being charged due to an exemption, there should be a reduction in wholesale access charges to reflect this.

If you have any further questions regarding our response, please do not hesitate to contact me at 02 9288 4000.

Your sincerely,
Megan Ward
Senior Economic Adviser

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communication consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.

² Pearce R., 2022. "OptiComm cites 'operational issues' as Velocity migration delayed". *Communications Day* (28th October).

³ Carriers with less than 2,000 potentially chargeable premises are exempt from paying the Regional Broadband Scheme levy on those premises. During the first five years of the scheme, for carriers only serving non-greenfield premises, the first 25,000 residential and small business premises receive a concession, for network operators connected to greenfield premises, the first 55,000 recently connected greenfield premises are exempt from the levy.