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Dear Messrs Williams and Martinez

Audit of Telecommunications Infrastructure Assets – Record Keeping Rules – Consultation paper

Vodafone Hutchison Australia (**VHA**) welcomes the opportunity to provide comments to the Australian Competition and Consumer Commission (**ACCC**) regarding the above consultation.

VHA supports increasing the transparency and accountability associated with investment claims made by carriers. VHA has for several years and in various forums raised the problem of poorly designed and executed public co-contribution schemes where public funds are used not for the benefit of all consumers, but only for the benefit of a few carriers and their shareholders. As an example, Telstra was awarded approximately 76% of the available publicly funded sites through 4 rounds of the Mobile Black Spots Program where downstream competition considerations were not part of the design DNA of the program. To date, there is still no obligations on carriers to provide roaming on publicly funded mobile infrastructure on reasonable terms. In this area of public policy and regulation, Australia lags far behind other comparable economies with similar industry maturity like New Zealand and the UK.

Against this backdrop, VHA welcomes the ACCC's focus on increasing the transparency and accountability associated with investment claims made by carriers, particularly by shedding light on the number and location of mobile sites built with public funding and those without.

Specifically:

- VHA supports the inclusion of Queensland Capacity Network Pty Ltd (**QCN Fibre**), Pivotel Group Pty Limited (**Pivotel**) and Uniti Group Limited (**Uniti Group**) as record keepers.
- VHA supports the introduction of a template, and the requirement to identify mobile sites by the RFNSA ID.
- VHA supports the requirement for record keepers to identify sites which has received public funding under any co-contribution scheme (or any public subsidy program). In addition, VHA would recommend the ACCC require record keepers to also provide the dollar amount of subsidies received for each site that has received public funding.

- VHA supports the requirement for record keepers to also identify frequency bands in the context of coverage information.
- As a starting point, VHA supports the public reporting of the RKR returns in full. This information would enable the public to ascertain whether public funds are put to good use, and hence will lead to increased confidence in existing and future co-contribution programs. However, VHA recognises that this approach may inadvertently disclose confidential information in some cases. Therefore, VHA would recommend the ACCC adopt a presumption that each RKR returns should be published in full unless there are confidentiality reasons why a particular RKR return cannot be published.

Our responses to the ACCC's questions are contained in the attachment to this letter.

If you have any further questions, please contact me or Louie Liu at louie.liu@vodafone.com.au.

Yours sincerely



Dan Lloyd
Chief Strategy Officer & Corporate Affairs Director

Attachment

1) Is it appropriate to include Queensland Capacity Network Pty Ltd, Pivotel Group Pty Limited and Uniti Group Limited in the list of record keepers set out in Part 1 to Schedule 1 of the Rules? Please provide reasons to support your views.

Yes. VHA believes that the inclusion of these carriers would enable the ACCC to ascertain a fuller picture of the level of investment in the telecommunications industry and would enable the ACCC to exercise its functions more effectively.

2) Are there other providers that should be included in the list of record keepers?

N/A

3) Do you have any comments on the use of a template spreadsheet to guide the reporting of mobile infrastructure as per **Appendix 1** to the draft instrument?

VHA believes that the template spreadsheet in Appendix 1 to the draft instrument is workable. However, we would suggest the following improvements:

- VHA would suggest the ACCC also require record keepers to provide the dollar amount of the total subsidies received for each specific site that has received public funding. This could be done by adding an additional column to the right of the column with the heading "Co-funded?". VHA believes the carriers can readily provide this information.
- VHA notes that other public subsidy programs may not have rounds (eg, state-based programs such as Victorian Regional Rail Connectivity Project), so therefore the column with the heading "Round" may not be applicable generally beyond the Federal Government's Mobile Black Spot Program. The "Round" column can be subsumed into the "Co-contribution program" column. VHA notes that this is a minor cosmetic issue.

4) Do you have any comments on the requirement for relevant record keepers to report mobile coverage across technology types and frequency bands?

VHA supports this.

5) Do you agree with the inclusion of a requirement to provide information relating to sites funded under co-contribution programs?

VHA supports this as it would increase the accountability of investment claims made by carriers in mobile infrastructure. VHA notes that a substantial plank of the ACCC's decision to not declare roaming in 2016 was that the ACCC feared it would dull the carriers' incentives to invest beyond metropolitan areas and compete on differentiated infrastructure.

The ACCC's hypothesis can be tested once the carriers are required to provide the information identifying sites which have received public funding and those that have not.

6) Do you have any other comment on the proposed requirements?

N/A

7) Do you have comments on the ACCC's proposal to report changes in mobile infrastructure in Section 3.3 above?

As a starting point VHA believes that the ACCC ought to publish the record keeper returns in full. By publishing the returns, the ACCC would better achieve the goals of increasing transparency and accountability. The public can also access investment claims made by carriers and hold carriers accountable directly.

However, VHA recognises that this approach may inadvertently disclose confidential information in some cases. Therefore, VHA would recommend the ACCC adopt a presumption that each RKR returns should be published in full unless there are confidentiality reasons why a particular RKR return cannot be published.

In the alternative, VHA believes that the ACCC ought to first publish a baseline against which the ACCC's proposed report of changes in infrastructure can be compared against. Without this baseline, the ACCC's proposed report cannot be fully utilised as there is nothing to compare the reported changes to.

8) Is the report template set out at **Attachment B** appropriate? Would the publication of maps showing the location of new mobile site be useful for the public?

VHA recommends the ACCC publish the returns in full.

The usefulness of a map would depend on the resolution of the map as some areas will have an extremely high site density and some areas will have extremely low site density. The optimal solution would be a browser-based interactive map that is accessible online.