



**Aussie  
Broadband**

THE ACTUAL AUSSIE WAY

# **ACCC Voice Interconnect Cost Model**

## **Aussie Broadband Submission**

Date: 19 September 2025



# TABLE OF CONTENTS

AUSSIE BROADBAND Submission to ACCC Access Determination on Voice Interconnection Services .....	3
GROUP SUMMARY .....	3
EXECUTIVE SUMMARY .....	4
DETAILED FEEDBACK.....	5

# AUSSIE BROADBAND SUBMISSION TO ACCC ACCESS DETERMINATION ON VOICE INTERCONNECTION SERVICES

## GROUP SUMMARY

Aussie Broadband Limited (ABB) is a telecommunications services provider comprising of the Aussie Broadband and Symbio businesses.

The Group collectively supplies more than 1 million services, operates two Tier 1 voice providers in Australia, owns fibre infrastructure and provides a suite of solutions through its data, voice, and managed solutions to business, enterprise and government customers. The Group also provides wholesale services to other telecommunications companies and managed service providers.

Aussie Broadband owns and operates its own cloud, data centre and fibre infrastructure domestically and internationally. At the time of writing the company is the fifth-largest retail internet service provider in Australia, while its Symbio brand is the largest MVNE (Mobile Virtual Network Enabler) in Australia.

One of Aussie Broadband's Tier 1 voice providers is its NetSIP subsidiary, which provides a Tier-1 core switching network that offers SIP trunking, hosted voice and other telecommunications services to small, medium and enterprise-level companies, as well as various governments and government departments.

The platform supports the Aussie Broadband customer base, allowing for consistent delivery of regulated voice services through automated provisioning, service management, and ongoing service reliability across multiple market segments.

## EXECUTIVE SUMMARY

Aussie Broadband welcomes the opportunity to comment on the Australian Competition and Consumer Commission's (ACCC) Draft Inquiry Report (Draft Report) and Draft Final Access Determination (Draft Determination), both dated 6 August 2025, on mobile terminating access service (MTAS), fixed terminating access service (FTAS) and fixed originating access service (FOAS).

We also wanted to acknowledge the ACCC for engaging in industry feedback in prior draft determinations, and their significant effort in detailing out the draft cost modelling. Aussie Broadband is supportive of the ACCC's regulatory efforts, and we would like to thank the ACCC for their management of the process.

Aussie Broadband believes the draft cost modelling has captured many important elements, but there are some critical aspects around fixed network operating components that we believe were not fully captured or considered and our submission focuses on those concerns.

We believe there are some shortcomings within the modelling that are not fully appreciated that could have detrimental impacts towards competition. These include a structural bias towards mobile operators that also operate fixed line networks, concerns around cost recovery for operators only of fixed line networks, a lack of assurances around impacts to service degradation, negative impacts on network resilience, and a proposed timeframe that will be a guaranteed net-negative on overall competition and public interest.

Aussie Broadband is concerned about the impact the proposed implementation may have on certain customer cohorts that will become economically unserviceable. We believe the proposed modelling also does not fully consider the real-world economics of fixed voice carriers in comparison to fixed voice carriers who also operate mobile networks, which has led to economic assumptions based on economics of scale that do not properly represent competitors in the Australian marketplace, and the asymmetrical differences in competition in regional service provision where customers rely more heavily on fixed-only voice networks due to limited mobile coverage.

We look forward to hearing the ACCC's feedback and welcome an opportunity to discuss our concerns and views in greater detail at the ACCC's convenience.

## DETAILED FEEDBACK

### IMPACT ON INVESTMENT INCENTIVES

It has been a decade since a new cost model for the fixed terminating access service (FTAS), and fixed originating access service (FOAS), has been proposed for the Australian market.

The current consultation process, which also seeks to amend the mobile terminating access service rates (MTAS), has already been running for over 3 years. But since that process began, there has been significant impost on industry both in the form of increased regulatory instruments and rising carrier license charges.

In 2024-25 alone, carriers have had an additional 20 obligations imposed, adding to the 500-plus regulatory and legislative instruments that are already applied to the sector. That added burden comes as licence carriers have been absorbing cumulative increased costs year-on-year, [REDACTED] making it extraordinarily difficult to generate returns above the cost of capital.

The importance of this backdrop cannot be understated. Operators of fixed-line voice networks are already having to increasingly invest what returns they do have into compliance, rather than new infrastructure, innovation, or new products that could promote competition. Fixed-line network operators do not have the economies of scale that mobile voice network operators can achieve, and the barriers to entry for new mobile operators are even higher. With the proposed amendments, and the already existing burden on fixed-line only operators that are competing against MNOs who also provide fixed services, the only inevitable outcome under the proposed determination is a market environment with diminished competition and poorer outcomes for end users.

The proposed cost modelling, however, disproportionately favours the economics of mobile network operators (MNOs), when it should have a greater consideration towards the more challenging dynamics for fixed-only voice network operators that do not have the same competitive ability to offset the proposed reductions, margin compression and revenue erosion.

It also does not consider the disproportionate impact that the gap in FTAS and MTAS pricing would have on fixed-only voice operators, or the capacity for MNOs to respond to such changes by substituting fixed services with virtual mobile products. These are products that fixed-only voice network providers cannot provide, thus imposing a significant restriction on their ability to compete.

[REDACTED]



As a result, Aussie Broadband strongly recommends the draft FTAS and FOAS rates for 2026 (0.65c/min) be retained for the entirety of the access determination to better accommodate the realities for fixed-only voice operators.

## ASYMMETRICAL IMPACT ON FIXED-ONLY VOICE NETWORKS

One of the challenges under the proposed modelling is the difference in impact of the changes to the MTAS and FTAS rates. A mobile voice operator, for instance, will benefit from lower MTAS out-payments, but fixed-centric voice operators will be more greatly affected by the erosion in revenue from the FTAS rates.

As noted in our points prior, we believe the modelling has inadequately considered the economics of fixed-only voice networks compared to mobile network operators.

Analysys Mason's model hinges on the hypothetical assumption of a carrier that has immediate national scale, an optimal technology mix, and the characteristics of a modern efficient operator (MEO). But their model factors in the cost of mobile and fixed voice networks, even though Analysys Mason confirmed that their hypothetical MEO does not necessarily offer mobile and fixed services.

There are other costs that the modelling also does not consider or include for reasons that are unexplained. It is unclear why the cost of transmission and backhaul links to points of interconnect (POIs) are not included in the modelling when those links are used for fixed voice traffic, and not shared with data or other traffic links. Having these links is a mandatory requirement for clients and the efficient operation of any modern fixed voice network, but it is wholly absent from the modelling.

It stands to reason, then, that part of the efficiencies in Analysys Mason's costs for FTAS and FOAS is driven by mobile and fixed revenue. Had the modelling factored in a truer environment for a fixed-only voice operator, it is likely that the proposed FTAS and FOAS rates would be notably higher.

although the most likely scenario is that the ACCC's modelling has not fully incorporated some of the realities for fixed-only network providers that we have outlined.

We encourage the ACCC to review the cost model inputs applied, which have lower economies of scale and higher inputs due to the nature of a fixed voice operator. Other disproportionately affected use cases include the requirement for certain businesses and segments that require legacy technologies for fixed services, including government departments that require the reliability of older PSTN/ISDN lines. We believe the Analysys Mason modelling has not effectively assessed the market realities of situations like this, or the impact on the end users affected.

## MARKET CONDITIONS, TIMEFRAMES AND EFFECTS ON COMPETITION ARE NOT FULLY REFLECTED

Along with the above considerations towards fixed-only network operators and the different market environment, there is a major concern with the proposed modelling and its consideration of current market dynamics.


Aussie Broadband is concerned at the speed at which the ACCC is seeking to implement these changes. Irrespective of positions around the changes to FTAS, FOAS or MTAS, it is wholly unreasonable to expect that the new regulations could be effectively implemented come 1 January 2026. After accounting for the shutdown period across the Christmas and New Year, the proposed timetable would leave inadequate time to account for the changes to modelling, communications and execution, not to mention the enforced changes on strategy or deployment across the many departments of a network operator's business that would be affected.

It is doubtful that fixed voice network operators, or mobile network operators for that matter, would be able to practically adjust their business models in such a short window without negatively affecting the end user. This is why, as noted by our sister company Symbio in their submission on this same determination, that network operators often do not make major material or structural changes over the Christmas period because of the disruptive effect on end users. The current FTAS/MTAS arrangements have been well established and are a fundamentally intrinsic element of the costing and price structures for voice network operators in Australia. And along with the operational difficulty of adjusting to the significant disruption this will create, there has been little explanation provided as to why such urgency is required.

The most likely outcome of such rapid change is a notable increase in prices for end users, both as a direct form of cost recovery and the subsequent indirect impact on competition as some fixed providers leave the market. Some companies may simply opt to increase their prices in response, but this is an unsustainable position for many providers, and some may not even have that facility under existing contractual arrangements with their customers. While the intention of the modelling may be different, the end effect would in fact favour larger players and making it unlikely, if not impossible, for smaller players to justify ongoing investment (or entering the market at all).

Not only would the rapid change lessen overall competition, it is also worth noting that the potential for an asymmetrical impact. We are concerned that diversity of competition among regional and rural communities, or smaller audience markets that require fixed-line only services, will be negatively affected as it becomes unviable to compete. We also fear that more vulnerable consumers, such as elderly or regional Australians that rely more heavily on fixed voice services, will be disproportionately affected owing to their inability to absorb price increases from network providers recovering their costs through other means.

Given these concerns, if the ACCC proceeds with the proposed two-step determination for FTAS, it makes sense to adopt much longer glidepaths as has been seen internationally. Longer glidepaths are not wholly for the benefit of network operators; it also allows the changes to be communicated



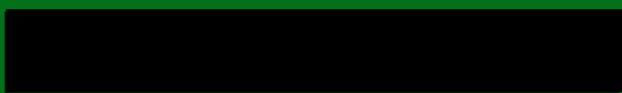
through to wholesale and retail customers, end users, and any commercial re-negotiations that need to occur to reflect the changed costs.

Considering the significance of the changed absolute rates, and the ratio of the proposed rates, Aussie Broadband asks for the determination for FTAS to be \$0.65c/min for 3 years to ensure service continuity, as well as the mitigation of the potential financial shocks. We ask the ACCC to consider phasing the new rates from 1 July 2026, rather than 1 January 2026, to facilitate implementation.

More consideration must be given towards the overall impact on competition. The foreseeable outcome from the short and long-term impact of these changes would be detrimental to competition at multiple levels, with the only beneficiaries being the major incumbent mobile network operators. Along with the contradiction this poses to subsection 152BCA(1) of the Competition and Consumer Act 2010 (Cth), it also runs contrary to the ACCC's mission.

We would like to thank the ACCC once more for the process, and appreciate the extensive time and effort that has gone into its development and the constructive collaboration that has followed. We are free to discuss the points above with the ACCC whenever is convenient and look forward to their feedback.

## Contact Details



W: [www.aussiebroadband.com.au](http://www.aussiebroadband.com.au)



**Aussie  
Broadband**

THE ACTUAL AUSSIE WAY