

Department of Communications and the Arts submission to ACCC Internet Activity Record Keeping Rule consultation

The Department of Communications and the Arts (DoCA) welcomes the opportunity to provide comment on the ACCC’s proposed Internet Activity Record Keeping Rule (RKR).

This submission is structured into two parts. The first part summarises DoCA’s view on the proposed change in the scope of what the ACCC is proposing to collect under its RKR and what was previously collected by the Australian Bureau of Statistics’ (ABS) Internet Activity Survey. The second part includes DoCA’s responses to the questions posed by the ACCC as part of its consultation paper released on 9 August 2018.

The proposed Internet Activity RKR will change the scope of what is collected

DoCA understands that the ACCC’s proposal may change the scope, timing, quality and frequency of information collected previously by the ABS. This includes the loss of data categories that were previously collected under the ABS survey (table 1), but also a gain of data categories that will be collected for the first time by the ACCC (table 2).

Table 1 summarises the data categories that are to be lost from the Internet Activity Survey with DoCA’s response.

Table 1 – data categories lost under the proposed RKR

| Data categories | Nature of loss/change in collection | DoCA comment |
|--------------------------|--|--|
| Dial-up statistics | ACCC does not intend to collect dial-up statistics. | DoCA notes this change. DoCA notes that the magnitude of this statistic had fallen to insignificant levels and ceased to be reported on from December 2016. |
| Mobile internet | Change in statistics to pre-paid, post-paid and mobile-broadband categories at a retail and wholesale level. | DoCA notes this change DoCA notes that the collection of mobile internet data will be on a different basis to that collected by the ABS. It will be important to have a consistent series that can identify changes in data use and subscribers as 5G networks are rolled out, and that can cast light on the degree of substitutability between mobile and fixed internet services. A consistent series also provides valuable information regarding internet use by those who rely solely on mobile handsets, which may have implications for affordability of services for those in lower income deciles. |
| Speed intervals recorded | The lowest speed category to be collected is “less than 12 Mbps”, with the next highest being 12-25 Mbps. This would disrupt the time series from the Internet Activity | DoCA notes this change. DoCA notes that the ABS had already ceased to record some of the lower speed intervals (including those lower than 8 Mbps since June 2017). |

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| | Survey, which has categories of less than 8 Mbps and 8-24 Mbps). | The ACCC may wish to collect additional data in the first survey period to see if there are many services providing between 8-12 Mbps to determine whether the change in collection categories will significantly disrupt the time series. Given the speed offerings of the NBN, this may not be the case. Australia has reporting obligations to the OECD/ITU for speed tiers that the ACCC is not proposing to collect (i.e. 256 kbps–2 Mbps, 2–10 Mbps). DoCA suggests that information on these tiers should be collected if the additional reporting burden is not significant. |
| Non-NBN services by contracted download speed | No statistics are to be collected on the contracted download speed for non-NBN services. | DoCA does not support this change. A significant proportion of internet services will not be provided over the NBN, such as businesses that choose alternative wholesale networks on mandatory disconnection or premises considered adequately served (e.g. greenfield fibre estates). Data on these services should be collected, where possible. |
| Connection by disaggregated technology type | Statistics on the technology type (FTTN, FTTP, etc.) are to be collected as a single grouping, where previously separated. | DoCA does not support this change. FTTP should be separately reported from other fibre technology types. (This is also addressed in response to the ACCC’s specific consultation questions, below.) |
| Proportion of ISPs offering other services | No statistics would be collected in this survey on other services offered by ISPs. The internet activity survey collected information on the proportion of ISPs that offered VoIP, Home Telephone, Mobile Telephone, Email content filtering, Web content filtering, Digital television, IPTV, and Naked DSL | DoCA notes this change. The ACCC may wish to consider continuing to collect information around VoIP offerings. This information is relevant to explain the impact of fixed-to-mobile substitution and uptake of OTT services. |

DoCA notes that the ACCC is proposing to collect additional data under the Internet Activity RKR (summarised in table 2). DoCA supports the proposed scope of additional collection, and considers they represent sound additions to the evidence base for research and policymaking.

Table 2– additional data categories collected compared to the Internet Activity Survey

| Data categories | Description | DoCA Response |
|--|---|--|
| Mobile internet downloads by pre-paid and post-paid services in operation. | How many TBs downloaded in each category. | DoCA supports this change. |
| Mobile internet downloads by wholesale and retail services in operation. | How many TBs downloaded in each category. | DoCA supports this change. |
| No data limit plans | Number of services with no data limit plans. | DoCA supports this change. |
| Entertainment products | Number of services with no additional charge for entertainment services or the data used by those services. | DoCA supports this change in principle. More detail on what constitutes an entertainment product would be helpful. DoCA suggests this proposal be broadened to collect information on all/any services with no additional data charges ('zero rated'), not just entertainment products. |
| NBN downloads by speed | How many TBs downloaded in each speed tier. | DoCA supports this change. |

Responses to ACCC's specific questions regarding the internet activity RKR

- 1) Are the definitions and concepts outlined within the proposed RKR ... easy to understand, accurate and relevant? If not, what changes would you suggest?**

DoCA considers that the definitions and concepts outlined within the proposed RKR are accurate, relevant and easy to understand with the exception of 'entertainment products'. Additional description on what these products include will be necessary for the resulting data to be useful.

- 2) The ACCC has proposed either a bi-annual (June and December) or annual (December) reporting frequency. What would be an appropriate reporting frequency for the RKR?**

DoCA strongly supports the bi-annual reporting frequency for the RKR. The pace of the NBN rollout and speed of technological change of internet-enabled devices and platforms means that the more frequent reporting standard is warranted. In addition, some of Australia's reporting obligations to OECD and ITU require bi-annual input.

In addition to bi-annual reporting, the ACCC should also engage in a regular review process to ensure that the data collected and published under the RKR remain relevant and useful. The Department of Communications and the Arts welcomes the opportunity to engage with the ACCC on such a review process.

3) The ACCC will be aiming to collect information on SIO and volumes of data downloaded by NBN wholesale speed tiers. Will this level of disaggregation allow appropriate insight into the NBN market?

DoCA suggests that collection of information on a basis aligned with NBN wholesale speed tiers is appropriate. Should NBN wholesale speed tiers change then the ACCC should revisit this question. DoCA notes that NBN Co is usually required to provide notice of product changes to the ACCC and the ACCC could use this as a trigger to decide whether to adjust the categories of data being collected.

4) The ACCC has reduced the scope of the information that it proposes to collect (see Section 3.1 above). Are there any other RSPs that should be considered for inclusion?

DoCA notes that the ACCC has changed the scope of collection to a list of 11 Retail Service Providers (RSPs). This is likely to be a reduced scope of collection compared to the sampling undertaken by the ABS' Internet Activity Survey (which collected information from Internet Service Providers with over 1,000 subscribers).

The ACCC should consult with the ABS, and ask the latter to prepare key statistics based on the 11 RSPs proposed using the final Internet Activity Survey data. If the results are markedly different from the ABS' approach to sampling, then the ACCC should consider the inclusion of additional RSPs as part of the Internet Activity RKR.

The ACCC should also consult widely if it proposes to change the list of RSPs from which information is collected under the RKR in the future.

5) The ACCC is proposing to make the information collected via the RKR publicly available in aggregate form. Are there any comments you wish to make on this?

The RKR provides an opportunity for a greater level of disaggregation to better understand the changing landscape of internet activity in Australia. DoCA suggests there would be merit in the following:

- For the categories of NBN services under the proposed RKR to be disaggregated on as close a basis as possible as for the non-NBN services. For example, in the draft output template, the NBN entries for [tables 1, 4 and 5](#) should be disaggregated to include subcategories of HFC/Cable, FTTP, FTTB/FTTC/FTTN, fixed wireless and satellite. This would bring it into alignment with the non-NBN categories proposed by ACCC and would enable better evaluation of policy decisions.
- For the different categories of fibre connection, FTTP should be collected and reported as a separate line item from other types (i.e. FTTP should be reported separately from FTTB/FTTC/FTTN).
- For the ACCC to provide separate tables that disaggregate those services that include entertainment products and have no data limit. This should enable better analysis of the intensity of data needs for these products, their popularity, and how they change through time. In addition to entertainment products, the RKR should also collect information about

the number of services that provide zero-rated content and the amount of data downloaded under zero-rated conditions.

- A cross-tabulation of NBN downloads should be included as an additional table. This would include the cross-tabulation of contracted speed tiers (<12, 12-25, 25-50, 50-100, >100 Mbps) by method of delivery (HFC/Cable, FTTP, FTTB/FTTC/FTTN, fixed wireless and satellite). This table should be updated with each release to enable a longitudinal series to be derived, with the series available as a separate download.
- In addition the need for upload data is growing with increased digitisation of business models (including within government). Accordingly, the ACCC should also collect data on uploads and present the data on a similar basis to that of [table 4](#) of the draft output template (incorporating the changes suggested above).

6) For data users, is the layout of the Output Template (Attachment C) easy to understand and fit for purpose? If no, what changes would you suggest?

DoCA believes that the proposed output template is easy to understand and largely fit for purpose. The inclusion of a separate, summary table (akin to [table 3 of the previous *Internet Activity, Australia* publication by the ABS](#)) is necessary for international reporting obligations to the OECD and ITU.