



29 October 2020

Australian Competition & Consumer Commission
By email: broadbandperformance@acc.gov.au

Dear ACCC

RE: Review of the effectiveness of the Measuring Broadband Australia (MBA) program

Benefits of extending the program

CHOICE appreciates the opportunity to comment on the effectiveness of the ACCC's MBA program.

In making this submission, CHOICE notes that the broadband market in Australia is still relatively immature, with many consumers remaining confused about the choices that face them and the information provided by retail service providers (RSPs). On the supply side, we see continued consolidation with the TPG-Vodafone merger. It is not clear what impact this will have for levels of competition or quality of services. The expansion of 5G and the Government's recent announcement to upgrade the NBN, to provide fibre closer to homes and businesses, will further expand the choices available to consumers.

In this context, CHOICE strongly supports the continued operation of the MBA program past the completion of phase one of the National Broadband Network (NBN) roll out. It is critical that the Government maintains support for an independent source of information on broadband service performance, to help consumers to make good choices.

Until recently, CHOICE operated its own broadband performance monitoring program through a partnership with Honesty Box. Since the discontinuation of that program, the ACCC's MBA is the only program of its type left in Australia. For this reason alone, its continued operation is crucial in protecting Australians from insufficient broadband services and in holding retail service providers (RSPs) to account for their marketing claims and practices.

57 Carrington Road Marrickville NSW 2204

Phone 02 9577 3333 | Fax 02 9577 3377 | Email campaigns@choice.com.au | www.choice.com.au

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CHOICE considers that there are at least three potential areas that could have large-scale impacts on the Australian broadband industry:

1. FTTP upgrades;
2. 5G connectivity; and
3. Increase in usage of data

1. FTTP upgrades

As noted above, NBN Co has announced a major capacity upgrade on its network, increasing wholesale speed tiers to 500 megabits per second (Mbps) to 1 gigabit per second (1Gbps) to an estimated 75 percent of homes and businesses within the next three years. This is a five to ten times increase compared to current “Premium” NBN speed plans with up to 100Mbps downloads.

This migration to faster plans and improved connection technologies should be tracked to ensure consumers are receiving value for money, and to identify problems such as regular outages. It could also help identify the source of issues as they arise, such as with the ACCC case study where the MBA prompted Optus to launch an investigation and fix a problem with their modem firmware.

CHOICE foresees that problems could arise from:

1. Faults with the NBN resulting from users being switched to different connection technologies or upgrades to their existing connections. An example of this would be the large number of activation disconnections that end-users on the HFC NBN connection technology experienced in the early stages of the Hybrid Fibre Co-Axial rollout, leaving them without a broadband or landline connection.

This issue led to NBN Co delaying the rollout of that technology, but only after a large number of Australians were left without a connection. Similar issues could arise from the proposed large-scale upgrade. Catching issues as early as possible would mean fewer Australians are left without broadband or landline connections, not to mention crucial medical alarm services.

2. Increased congestion on the NBN. With much faster plans available to more Australians, it is important to ensure (with publicly-verifiable information) that this doesn't lead to a reduction in average NBN speeds across the entire network thanks to increased demand.
3. RSPs failing to provide enough capacity (either by not purchasing it from NBN Co, or a lack of backhaul access) for increased end-user demand.

2. 5G connectivity

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The new 5G networks being rolled out by major mobile providers have been predicted to act as an alternative to the NBN for fixed home connections. The speed potential of 5G technology is an enticing lure for customers, especially those who find their NBN connections inadequate.

Currently, the MBA doesn't cover mobile connection technologies, but given 5G's potential to replace NBN connections for a large number of Australians, we believe the MBA could eventually be expanded to cover fixed 5G plans that are designed to provide permanent broadband services for households and businesses. This will be important if 5G becomes a major source of home and business broadband access.

New technologies and telecommunication rollouts often encounter problems. Identifying underperforming fixed 5G plans quickly will ensure fewer Australians are trapped on inadequate services and will hold RSPs accountable for their marketing claims.

3. Australians are using more data

With the advent and wide-scale adoption of new industries such as media streaming and video conferencing services, the amount of data being regularly consumed by Australians is increasing year-on-year. We expect this trend to continue. An extension of the MBA will ensure RSPs are increasing their Connectivity Virtual Circuit (CVC) and backhaul provisions to match increased end-user demand.

Risks of discontinuing the program

If the MBA is discontinued, CHOICE is concerned that the benefits it has already delivered will be eroded. Currently, the MBA allows both the ACCC and media organisations to identify problems that affect consumers and call for action to be taken. These problems have been succinctly identified in the nine case studies contained in the MBP Consultation paper.

If this publicly-available information were no longer accessible, Australians would need to rely on RSPs to internally regulate their own systems and marketing. Based on the telecommunications sector's inability to address issues in the past, we are not confident that this will lead to a good outcome for consumers.

Changes needed to the MBA program

1. NBN fixed wireless

The NBN fixed wireless network has suffered many issues since it first began rolling out with reports of variable speeds and unreliable connections. The expansion of the MBA into this connection technology could help identify the same type of problems that it has on other fixed broadband technologies, leading to better broadband services.

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As of late October 2020, almost 620,000 Australian premises are connected to NBN fixed wireless.

2. More ISPs

Currently, the MBA covers 94% of the market via nine providers. CHOICE believes this could be increased by a renewed push for more volunteers. Showing the performance of smaller operators would also increase competition.

3. 5G

As the expansion of privately-owned 5G networks increasingly provides an alternative to the NBN, we believe that fixed 5G plans aimed at homes and businesses will need to be monitored for the same reasons as any other fixed broadband service.

For further information, please contact us via jsteward@choice.com.au.

Yours sincerely,



Julia Steward
Head of Policy and Government Relations

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