

ACCC discussion paper – Key Performance Indicators for Non-price Terms and Conditions

Submission by PowerTel Limited

PowerTel welcomes the opportunity to provide comments regarding the discussion paper issued by the ACCC on Key Performance Indicators (KPIs) for non-price terms and conditions.

PowerTel is of the view that non-price terms and conditions are equally important as price terms and conditions and that effective KPIs will provide for more transparency. The objective is to ensure that wholesale carriers are not disadvantaged by services supplied by Telstra at levels inferior to what Telstra offers its retail operation.

As the historical monopoly, Telstra is vertically integrated and has ubiquitous reach. It is not feasible for any carrier to duplicate Telstra's fixed network infrastructure, thereby limiting these new networks to heavy traffic routes (intercapital and CBD networks) or niche markets (regional areas).

While Telstra is not structurally separated, it is imperative that appropriate measures are taken to ensure that services (including price and non-price terms and conditions) are offered to wholesale carriers at levels preferably superior but at the least equivalent to what is offered to its own retail operation. This will allow wholesale carriers to focus on bringing innovative products and true savings to the market place, which in turn fosters a competitive market and ultimately is in the long term interests of end-users.

PowerTel is not supportive of the ACCC's proposal to use Customer Service Guarantee (CSG) timeframes as the standard basis for developing the KPIs. CSG timeframes are only appropriate for residential and small business customers. We believe that there is a need for different target timeframes for the business customer group.

In addition, PowerTel suggests that the business customer group should be split into two different groups; Business (6-99 lines) and Corporate (100+ lines). In the absence of a suitable parameter for defining a corporate customer, PowerTel suggests that the ACCC consider a threshold of 100 lines to be an appropriate measure of a corporate customer. PowerTel believes there is merit to split these customers into two groups and report the KPIs separately. The KPIs for both Business and Corporate should be considerably tighter than the timeframes set out under the CSG which is targeted specifically at residential and small business customers.

PowerTel looks forward to the first set of results regarding the accounting separation of Telstra. The regulators and industry members must realise, the results from the past ten years of self-regulation have fallen well short of the desired result. No industry can sustain effective competition while one competitor (as an accident of historical monopoly) is allowed to compete in and dominate every market, and maintains a unique and ubiquitous reach.