

Symbio Holdings Ltd Submission to ACCC in relation to Draft Inquiry Report and Draft Final Access Determination on Voice Interconnection Services

19 September 2025



Summary

Symbio Holdings Ltd (Symbio) appreciates the invitation to comment on the Australian Competition and Consumer Commission's (ACCC) Draft Inquiry Report (Draft Report) and Draft Final Access Determination of 6 August 2025 (Draft Determination), both dated 6 August 2025, on mobile terminating access service (MTAS), fixed terminating access service (FTAS) and fixed originating access service (FOAS).

Symbio provides innovative communications platform solutions to enterprise and wholesale customers and global communication service providers in multiple Asia-Pacific regions. These solutions include:

- Communications Platform as a Service (CPaaS) – Providing voice and messaging capabilities and the ability to host and port phone numbers to global communication service providers. Examples of Symbio's customers include Ring Central, Zoom and Twilio.
- Unified Communications as a Service (UCaaS) – Providing cloud-based enterprise calling and collaboration services to enterprise and government customers across the Asia Pacific, with direct integration into Microsoft Teams and Cisco call manager.
- Telecommunications as a Service (TaaS) – Providing cloud communications, mobile services and NBN access to retail telcos and managed service providers.

Symbio operates its own cloud, data centre and fibre infrastructure in Australia, Malaysia, New Zealand and Singapore. Symbio's services are highly dependent on the ability to interconnect our voice networks with other carriers, so our customers can communicate with people and businesses across Australia and the rest of the world.

Among the many services that Symbio offers to its customers is the management, on their behalf, of interconnection of voice calls with other carriers. Symbio operates one of the largest IP Voice networks in Australia and is interconnected with all major mobile and fixed networks. The price of interconnection services is an important driver of the cost of services provided to Symbio's customers. Consequently, the level and direction of voice interconnection costs is a critical factor in Symbio's business model. Both FTAS and FOAS as well as MTAS are essential inputs into Symbio's business. The outcome of the ACCC's current review and its Final Access Determination on the matter is of major importance to Symbio.

For the reasons laid out in more detail below, Symbio is deeply concerned about the reliability of the ACCC's public version cost model to determine FTAS and FOAS rates. The model appears to be primarily designed for, and much better suited to, establishing the cost of mobile services. As such, Symbio believes the results for FTAS and FOAS cannot be relied upon for the following reasons:

- The divergence in the costs of fixed networks relative to mobile networks runs contrary to previous ACCC models and to international experience, and we call on the ACCC to justify why the divergence exists
- The immutability of the results for FTAS and FOAS, regardless of almost any changes to the input assumptions in the model and the discrepancy between the results in the public version of the model and the ACCC draft determination, cause concern over the functioning of the model with regard to fixed network costs.
- The characteristics of a Modern Efficient Operator (upon which the model is purportedly based) are similar to those of Symbio, yet Symbio's actual costs of voice services are around [c-i-c], whereas the draft ACCC determination suggests that the MEO's unit costs are around 0.21 cents per minute.

- The large difference in MTAS and FTAS creates a strong opportunity for MNO's to replace fixed services with mobile numbers [c-i-c],
- The proposed pricing results in outcomes that are contrary to the mandatory criteria set out in subsection 152BCA(1) of the *Competition and Consumer Act 2010* (Cth) (**CCA**). The result will be an avoidable lessening of competition in the market for fixed voice services at both wholesale and retail levels,

Symbio respectfully asks that the ACCC reconsiders its draft determination for FTAS and FOAS. Our preference would be that the rate proposed for 2026 (0.65 cents per minute) should remain in place for the full duration of the access determination. Based on Symbio's assessment, this rate appears to be an accurate reflection of the costs of a Modern Efficient Operator (MEO), and maintaining this rate for the full period to 30 June 2029 would be consistent with the approach adopted for MTAS.

[c-i-c].

Those providers seek to outsource fixed voice management to Symbio to gain the benefits of scale not otherwise open to them and the benefits of latest technologies and systems that they cannot afford. [c-i-c]. We believe they are in fact favouring the larger fixed and mobile players to the detriment of the smaller players, ultimately reducing competition and making new investment unlikely. Our request for reconsideration of the FTAS and FOAS rates is made in that context.

Further, we acknowledge the ACCC's draft position is to maintain in substance the current non-price terms and conditions, while making minor changes to ensure consistency between the terms in the access determinations for all 3 voice interconnection services. Symbio thanks the ACCC for their consideration in relation to adding a term to address scam-related issues, that this is best addressed through the Scams Prevention Framework and scam specific regulations.

Issues associated with the Draft Report and Draft Determination

1. Materially different outcomes for proposed fixed and mobile interconnection rate reductions

It is not only the absolute amounts of the MTAS and FTAS rates that are important to operators, but also the relationship between the rates. This is especially the case with operators that specialise in the provision of fixed voice services, such as Symbio, where interconnection revenues are based on the FTAS charge, and interconnection payments are made largely on the basis of the MTAS charge.

The ACCC draft report proposes a reduction in the MTAS charge from 1.19 cents per minute (cpm) to 0.90 cpm, a 24.4% reduction, and a reduction in FTAS and FOAS¹ charges from 0.86 cpm to 0.21 cpm, a reduction of 75.6%. The material discrepancy needs an explanation as to what has changed in the period since the current rates were determined in July 2019 (in the case of FTAS) and January 2021 (in the case of MTAS), and none has been offered by the ACCC. There are many factors that, when taken together, suggest the result cannot stand without further explanation, because those factors clearly point towards a different outcome. The factors are:

1. There was a gap of 18 months between when the current charges for FTAS and MTAS were last set or confirmed by the ACCC. This gap may justify a difference in the percentage reductions in the rates from January 2026 onwards, but not 75.6%. The discrepancy remains material and we seek further explanation from the ACCC.
2. The Draft Report and previous documents published on the history of interconnection rates in Australia make it clear that the ACCC has adopted different approaches to setting the rates at different times – such as cost modelling, benchmarking, indexing and rollover. However, in each case the ACCC determined that the specific rates for FTAS and MTAS were appropriately cost-reflective and fit for purpose at the time they were set. If the ACCC thought otherwise, presumably it would have further amended the rates at that point.
3. Given the ACCC considered the rates appropriately cost reflective at each review point, and that the other legislated criteria were met, it therefore requires some real-world explanation as to why they would materially diverge in 2025, especially when subject to the disciplines of the same cost modelling process and the same cost model.
4. Symbio notes that because of the network components included in the calculation of FTAS and MTAS rates, there will be a significant difference in the rates at the outset, and those absolute differences would be expected to be carried forward into new rates in some manner. What is not expected and needs explanation as to why, with substantial convergence happening and assumed in the ACCC's cost model design, the rate reduction trajectories would so dramatically diverge in 2025.

2. Background on wholesale fixed voice market.

Over the last 3 years the Australian wholesale fixed voice market has undergone a large period of change. [c-i-c] During this period, we have also seen fixed wholesale providers leave the market with Telstra removing

¹ References in this submission to FTAS should be read as including FOAS, unless the context clearly indicates the contrary.

their fixed wholesale voice offering completely along with selling their international voice business and Optus removing their international toll-free service offering.

[c-i-c] This would also reduce the likelihood of new entrants entering the space. The compounding effect of these changes we anticipate will negatively affect competition in the Australian voice market. [c-i-c]

In addition to the changing pricing conditions, fixed providers have seen an increase in regulatory costs. [c-i-c]

3. The ACCC cost model focuses on mobile rather than fixed networks

The material divergence in FTAS and MTAS rates from 2025 calls into question the robustness of the cost model used by the ACCC. It appears as if the model, methodology and user manual is focussed on mobile networks, while fixed networks appear to be an afterthought. There are very few moving parts within the model related to fixed voice services. Only six asset categories form part of the FTAS and FOAS, compared with over 100 categories for mobile services. Of the 10 sensitivity tests incorporated in the model the only one that materially affects the outputs for FTAS and FOAS is the market share of the MEO – the model is insensitive to all other changes in the model inputs. Symbio has tried to adjust a range of other input assumptions within the model (such as the routing factors, the ratio of voice and data traffic, the proportion of traffic conveyed across the core network) but none of these changes makes any material difference to the results. This being the case, we question whether the results of the model for FTAS can be relied upon, and suggest it would be better to use the mobile cost results as the benchmark for all termination/origination.

Symbio is also concerned that the public version of the cost model, in which actual input data has been replaced with dummy data, creates cost results for the mobile services that are effectively the same as the ACCC draft determination. The model results are 0.38 cents for fixed termination, whereas the actual determination is 0.21 cents - an 81% variation. This is all the more concerning because the cost results for FTAS/FOAS are impervious to changes in the main cost modelling inputs (other than market share). In these circumstances it is incumbent on the ACCC to explain how the figure of 0.21 cents per minute has been reached. Specifically, we would like to understand the differences between the inputs to the public model and the inputs to the cost model that have been used in the draft access determination.

4. Cost model outcomes do not match with commercial reality

Symbio understands and agrees with the broad approach that the ACCC has designed a cost model for determining, on a bottom-up basis, the costs that would be incurred by an MEO. As we understand the term, MEO means an operator that is operating at efficient scale² and is employing modern equipment, systems and processes to handle the demand presented to its network. Symbio submits that this description of the

² Symbio agrees with the ACCC's conclusion that the appropriate scale factor to be applied to a MEO providing fixed network services in Australia would be a 20% market share.

MEO is broadly equivalent to the operations of Symbio itself, both in terms of scale and because Symbio operates a fixed network that has been built recently, using modern technology to handle fixed voice traffic. That is the business model and the processes and network are suitably and efficiently aligned with fixed voice services. The costs referred to include recent expenditure to convert the current network from a TDM operation to a modern SIP network. All fixed networks are incurring a base level of such costs and wish to accrue sufficient customer/interconnect revenue to recover these costs.

We understand that the ACCC is not modelling individual networks but, given the lack of transparency in the ACCC's cost model, it may be useful to compare the results of the model with the cost data that Symbio submitted to the ACCC. [c-i-c]

5. Access network costs

Symbio has queried the appropriateness of maintaining the legacy discrimination between the treatment of the radio access network (RAN) costs and fixed access network costs in the light of overall sector convergent technologies and processes. The decision to not include fixed network access costs stems from the old PSTN days when end customers paid separately for their access line. Those days are long past and customers are now billed a single charge for access and calls. This is similar to the situation with mobile networks. Hence it is our strong view that the treatment of access costs should be consistent across fixed and mobile networks.

Assuming the ACCC intends to retain radio access network costs as part of the MTAS cost structure, there are aspects of the treatment and allocation of RAN costs that are a cause for concern.

Not all mobile voice terminations use the RAN and the volumes associated with RAN usage and the routing factors need to be amended accordingly. Specifically, calls that are transferred to voice mail, recorded voice announcements or processed via WiFi need not employ the RAN to be effectively terminated. Symbio notes WiFi calls have been included but not voicemail.

The Australian MNOs provide a Virtual Mobile Number product, not associated with a sim card or mobile handset that does not use the RAN network. Calls to these Virtual Mobile numbers are charged MTAS today. While these call types have been present for many years, the small differential between the FTAS and MTAS resulted in no disputes being raised. Given the new pricing creates a large price disparity, Symbio would like clarification as to whether FTAS pricing should be used in these call cases.

As the ACCC would be aware this product is growing in popularity (as noted in recent numbering plan consultations) particularly in the business space via fixed line delivery. The drive for mobile numbers to be used for authentication will continue to accelerate this demand. [c-i-c]

6. Fixed network transmission costs

Symbio has previously represented to the ACCC that POI transmission costs should be included in the fixed model as generally POIs for the different operators are located in different data centres. Transmission links are usually either dark fibre or 10Gbit/s ethernet, and the costs associated with these links have been provided to the ACCC but not included in the modelling. These links are used for fixed voice traffic and are not shared with data or other traffic. Further, as outlined in Section 4, a valid MEO for voice traffic should also include transmission backhaul costs.

We would appreciate the ACCC addressing the issue of POI and backhaul transmission costs in the model before it is finalised.

7. Glidepath for implementing the proposed interconnection rates

As indicated above, Symbio is in favour of a consistent rate for FTAS over the period of the Determination. However, if any changes are proposed, Symbio requests the ACCC take into account that enterprises such as itself have business cases that are extremely sensitive to the rates for both FTAS and MTAS. When those rates are reduced through regulatory intervention in a substantial way, time is needed to allow these enterprises to adapt and adjust. This is not for Symbio's benefit alone, but also for the benefit of its customers and their retail users in turn. Symbio requests that if the ACCC determines further changes to the FTAS costs from the proposed 0.65 cents will be introduced, they are limited to 10% per year. This is to allow sufficient time for fixed operators to adjust to the market changes and look at alternative cost recovery mechanisms. Ultimately, the purpose of glidepaths is to ease the burden of adjusting to a significantly different set of circumstances imposed by regulation.

8. Commencement date of the final determination

The ACCC proposes the new rates established in the final determination commence on 1 January 2026. This is the worst possible time to introduce new regulations for both Symbio and its customers. It is an industry accepted practice that no operator ever makes significant operating changes over the Christmas embargo period. Operators have limited staff over this period and do not to make material changes that impact customers. Changes to FTAS and MTAS potentially impact both billing to customers and call routing by customers that could lead to complaints and even outages. [c-i-c]

Symbio requests that the ACCC consider a 6 month extension to 1 July 2026 to allow all operators time to establish and test rating and billing changes in order to minimise IT system issues and potential customer disputes from rushed changes.

9. WACC methodology as developed by CEPA for the ACCC

Symbio does not have any comments to make on the WACC methodology paper other than the approach proposed by CEPA appears to align with the approaches the ACCC has taken to the determination of WACC for the sector in the past. A common methodology for all sectors regulated by the ACCC appears to be an appropriate development.

10. Legislative framework for final determinations

For the reasons explained below, we consider that the price terms in the draft final access determinations do not comply with the matters specified in subsection 152BCA(1) of the CCA. It is not possible to comment on whether we agree or disagree with the ACCC's application of the subsection 152BCA(1) criteria in setting FTAS and FOAS prices because the ACCC's draft report does not include an analysis of the subsection 152BCA(1) criteria with regard to FTAS and FOAS but rather, simply provides a general overview of the legislative framework that it must apply when making a final determination. This is a concerning omission.

(a) whether the determination will promote the long term interests of end users (LTIE) of carriage services or services supplied by means of carriage services

Symbio agrees with the ACCC's interpretation of the matters that must be considered when evaluating whether a determination will promote the LTIE.³ Symbio's primary concern is that the proposed FTAS and FOAS prices are significantly below our actual efficient costs. If we are not able to recover our efficient costs, in the medium to long term we will not be able to:

- invest in infrastructure or equipment;
- maintain existing infrastructure and equipment;
- invest in personnel to provide the services; or
- ultimately provide the services unless we do so at a considerable loss, which would be financially imprudent.

Though we agree the LTIE is often defined by lower prices, this does not mean that service providers should be pushed out of the market by having to adhere to regulated low access prices that force the provider to operate at a continuing loss.

Such low prices will:

- immediately lead to lower quality of services and less innovation as a result of reduced investment in maintenance, infrastructure and resources used to provide the services; and
- ultimately lead to a decrease in diversity as fixed providers will exit the market.

For these reasons, we consider that the proposed determination is contrary to the LTIE.

(b) the legitimate business interests of a carrier or carriage service provider who supplies, or is capable of supplying, the declared service and the carrier's or provider's investment in facilities used to supply the declared service

As stated by the ACCC, access providers have a legitimate business interest to earn a normal commercial return on their investment.⁴ In the course of this inquiry, Symbio has provided the ACCC with details of our investment in infrastructure and resources to provide FTAS and FOAS and an analysis of our cost base. [c-i-c]

³ As set out in Attachment B: Legislative frame for final access determinations, which accompanied the ACCC's Voice interconnection services access determination inquiry draft report dated 6 August 2025.

⁴ Attachment B: Legislative frame for final access determinations, which accompanied the ACCC's Voice interconnection services access determination inquiry draft report dated 6 August 2025, page 5

(c) the interests of persons who have rights to use the declared service

Symbio agrees with the ACCC's interpretation of this criteria and that it requires the ACCC to have regard to the rights of access seekers that acquire FTAS and FOAS.⁵ We agree that access seekers should be able to compete on their merits and should not be subject to competitive distortion that can result from unreasonably higher prices or discrimination in access terms between access seekers, including an access provider's own retail arm.

Symbio has a broad range of wholesale customers (i.e. access seekers) that acquire FTAS and FOAS from us. They of course want lower wholesale prices, however, it is ultimately more important to them and their businesses that they are actually able to acquire FTAS and FOAS and that they have a choice in which provider to acquire it from. Unsustainably low access prices will result in providers exiting the market and choice in provider being removed. This is contrary to the interests of access seekers.

(d) the direct costs of providing access to the declared service

Symbio agrees with the ACCC's interpretation of this criteria and that it requires the ACCC to have regard to the direct costs of providing access to FTAS and FOAS, which is the cost incurred in providing access to the services, including incremental costs and a contribution to indirect costs but not loss of monopoly profits.⁶

Symbio has provided the ACCC with details of our investment in infrastructure and resources to provide FTAS and FOAS and an analysis of our cost base. [c-i-c]

(e) the operational and technical requirements necessary for the safe and reliable operation of a carriage service, a telecommunications network or a facility

Symbio agrees with the ACCC's interpretation of this criteria and that it requires the ACCC to ensure that access terms do not compromise the safe and reliable operation of carriage services and associated networks or facilities.

[c-i-c]

(f) the economically efficient operation of a carriage service, a telecommunications network or a facility

Symbio runs a lean business and is an economically efficient operator of the networks and facilities that it uses to provide FTAS and FOAS. [c-i-c]

Subsection 152BCA(2) – other eligible services

We accept that FTAS and FOAS should not be considered in isolation and that characteristics, costs, revenue and demand for other eligible services provided over an access provider's network should also be considered when setting access prices. In response to Symbio's concern about its modelling, Analyses Mason advised that the hypothetical efficient operator is not assumed to provide both fixed and mobile voice services, but rather its model calculates the costs of two

⁵ Attachment B: Legislative frame for final access determinations, which accompanied the ACCC's Voice interconnection services access determination inquiry draft report dated 6 August 2025, page 5

⁶ Attachment B: Legislative frame for final access determinations, which accompanied the ACCC's Voice interconnection services access determination inquiry draft report dated 6 August 2025, page 6

networks, mobile and fixed. While we appreciate Analysys Mason clarifying this point, we are still unable to understand why its modelled efficient costs for FTAS and FOAS are so significantly below Symbio's actual efficient costs and question whether it is including revenue from other services such as fixed data services in its calculation of the costs and revenue attributable to the networks used to provide FTAS and FOAS. If so, it is contrary to modelling information provided by Analysys Mason⁷ and does not reflect how Symbio operates its network.

11. Overall impact on competition in the fixed voice market

As a final point, Symbio is very concerned about the potential impact of the ACCC's proposed changes to voice termination rates on the fixed voice market. As indicated in the introductory comments to this submission, Symbio provides fixed voice wholesale services to a wide and diverse range of other service providers in the market. Many are smaller service providers who rely on Symbio to deliver them the benefits of scale, not otherwise open to them, and of technology options that they cannot afford to access directly.

[c-i-c]

The ACCC's proposals, if implemented as they currently stand, leave Symbio with very limited capacity to effectively adapt, and, consequently, very limited options for many of our customers. The result will be an avoidable lessening of competition in the market for fixed voice services at both wholesale and retail levels, which is contrary to subsection 152BCA(1) of the CCA and the ACCC's intentions in making this final access.

We would welcome the opportunity to discuss any of the above points with the ACCC.

[c-i-c starts]

[REDACTED]

[REDACTED]

[c-i-c ends]

⁷ Analysys Mason, Final Model specification for the ACCC, July 2025, paragraph 3.6