



10 September 2021

Communications Group
Australian Competition and Consumer Commission

By email: fixedline@accc.gov.au

TPG Telecom submission in response to ACCC Wholesale ADSL service declaration inquiry

Thank you for the opportunity to respond to the ACCC's *Wholesale ADSL service declaration inquiry: Consultation and position paper* (dated 30 July 2021) (**Consultation Paper**).

TPG Telecom (**TPG**) strongly supports the ACCC re-declaring the wholesale ADSL (**WADSL**) service until 30 June 2024, to align its expiry with Telstra's other declared fixed line services.

TPG agrees with the ACCC's reasoning in the Consultation Paper and believes declaration is in the long-term interests of end users (**LTIE**), consistent with Part XIC of the *Competition and Consumer Act 2010* (Cth).

As the ACCC recognises, the number of users of Telstra's DSL services in operation has declined significantly since the WADSL was last declared in 2017. This is not surprising given NBN Co's Government-mandated monopoly position in fixed broadband services.

Although NBN Co has completed its initial rollout, there remains a small but significant group of customers that continue to use legacy ADSL services, including TPG customers. Importantly, NBN Co only recently decided to resume taking orders for new HFC connections in July 2021, following its decision to pause new HFC orders because of a global shortage of silicon chipsets in February 2021. This has inevitably led to delays for customers to connect to the NBN HFC network.

The longstanding regulatory position is that Telstra's ADSL network is a critical bottleneck monopoly infrastructure and this remains the case. It is therefore important that access seekers, such as TPG, can continue to acquire the WADSL service from Telstra on reasonable terms. This is even more important where a subset of customers do not yet have access to an alternative superfast broadband service.

We agree with the ACCC's observations that without declaration, Telstra has the ability and incentive to raise prices of competing access seekers, including TPG, or otherwise seek to limit access or reduce the quality of services. Telstra also has the ability and incentive to discriminate and favour itself in the supply of ADSL services.



As the ACCC acknowledges, the risk in not declaring the WADSL service is that it gives Telstra the opportunity to take advantage of its market position by engineering an outcome that enables it to offer its own retail services more cheaply than competing access seekers. Telstra can then benefit from this position when those ADSL customers come to choose an NBN or alternative home broadband service in the future. This reduces the overall ability of other retail service providers to compete with Telstra, which leads to an unfair and anti-competitive outcome, and overall is not in the LTIE.

These considerations are well known to the ACCC and for this reason TPG strongly supports the ACCC maintaining the status quo, by declaring the WADSL service for all Exchange Service Areas for another three years.

Should the ACCC have any questions in relation to this submission, please contact Stephanie Phan at stephanie.phan@vodafone.com.au.

Yours sincerely

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