



TELSTRA CORPORATION LIMITED

Dark Fibre and NBN Wholesale Aggregation – Proposed Record Keeping Rules

Telstra’s response to the ACCC’s Consultation Paper

Public Version

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[c-i-c] = information not to be released without a confidentiality undertaking



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EXECUTIVE SUMMARY

This submission is in response to the Australian Competition and Consumer Commission (**ACCC**) Consultation Paper on the proposed introduction of dark fibre and NBN wholesale aggregation services Record Keeping and Reporting Rules (**RKRs**), released on 18 February 2019 (**Consultation Paper**). This consultation follows an action identified as part of the Communications Sector Market Study (**Market Study**).

Telstra understands the ACCC is seeking information to better understand the markets for dark fibre and NBN wholesale aggregation services and ensure that they are, and will continue to be, operating effectively as upstream inputs to the downstream markets in which NBN services are supplied to end users. RKRs are one mechanism for gaining such information. However Telstra considers that in this instance the proposed RKRs are not appropriate. Such regulatory intervention risks harming development of these markets by deterring participation, investment and innovation. These negative impacts mean introduction of the proposed RKRs would not be in the long term interests of wholesale customers or retail end users. Regulatory reporting and information provision requirements are a regulatory burden and a signal to service providers that there is a high risk of further regulation. In other jurisdictions, they are typically used to monitor the effectiveness of regulatory remedies rather than determine whether a regulatory remedy is required. The available evidence shows that there is no market failure in the relevant upstream markets and therefore no justification for regulatory intervention, even in the form of reporting requirements.

Telstra considers the ACCC is already in a strong position to achieve its objective of developing a more comprehensive understanding of the markets for dark fibre and NBN wholesale aggregation services through ongoing engagement with suppliers of these services. Less formal engagement is a preferable means of information gathering as it avoids the material compliance costs associated with formal regulatory reporting arrangements, such as RKRs. This approach would also provide flexibility for the ACCC to adjust its requirements as the markets continue to develop, and to more appropriately focus on key impediments to innovation and improving end user experiences with respect to price and service quality. At present, the key impediment to these outcomes is nbn co's wholesale pricing structures which are too high and lack stability and predictability. nbn co wholesale pricing is squeezing industry margins and making it difficult for wholesalers and Retail Service Providers (**RSPs**) to provide sustainable and flexible services in downstream markets. Further, the process by which nbn co introduces new services and price offers is opaque, and subject to confidentiality restrictions that hinder consultation and collaboration with industry stakeholders, whose perspectives are often not taken into account.

If the ACCC determines it necessary to implement the proposed RKRs, their scope should be restricted in order to minimise the regulatory burden on suppliers of services in these nascent and low margin markets.



01 Sustained health of the downstream NBN retail market requires focus on nbn co wholesale pricing

1.1. There is strong downstream competition between RSPs and access to upstream inputs is effective

The retail markets in which NBN services are supplied to end users currently comprise over 180 RSPs,¹ with an increasing number of providers investing in direct connection to NBN Points of Interconnect (POIs). There were at least six access seeker groups acquiring NBN services directly from nbn co at all 121 POIs at the end of 2018.² Strong competition between RSPs is also reflected in a consistent trend of decreasing prices, as set out in the ACCC’s Communications Market Report 2017-2018 which shows a 3% compound average price decrease in NBN fixed broadband services from 2014 to 2018.³

The high number of market participants competing to supply NBN services in retail markets and the decreasing price trend in these markets suggests that access to upstream inputs is not affecting downstream competition.

1.2. The ongoing development of competition to supply residential NBN services in the retail market is at risk under current wholesale pricing structures and regulatory settings

nbn co’s wholesale pricing makes it difficult for RSPs supplying residential NBN services in the retail market to meaningfully compete on the basis of price, innovate or consistently provide positive experiences that meet customer expectations. Telstra considers this is where regulatory attention should be focused. The most pressing issues are:

- **Wholesale prices are too high.**⁴ This has made Australian consumer broadband prices amongst the highest in the world and increasingly poses a risk to continued investment, innovation and diversity in the retail supply of fixed broadband services.⁵
- **There is no wholesale price certainty.** For example, nbn co’s price for a 50Mb/s bundle with 2Mb/s of CVC is \$45, yet the effective regulated price cap is \$65, so it is quite within nbn co’s rights under the Special Access Undertaking (SAU) to substantially raise prices and harm the returns of its wholesale customers.
- **The regulatory framework is not delivering stable and predictable wholesale prices.** The predominant nbn co offers in market are discounted bundles. These can be removed or altered without regard to regulated price caps. nbn co typically reserves the right to remove discounts giving only three months’ notice. The result has been greater wholesale pricing volatility creating inflexibility in the market.

The resultant squeezing of industry margins at the retail level (and by extension, at the wholesale level) is harming competition, as evidenced by various RSPs either pulling back from active marketing of NBN

¹ <https://www.nbnco.com.au/residential/service-providers>.

² ACCC, NBN Wholesale Market Indicators Report 31 December 2018, table 8, available at: <https://www.accc.gov.au/regulated-infrastructure/communications/national-broadband-network-nbn/nbn-wholesale-market-indicators-report/previous-reports>.

³ ACCC, Communications Market Report 2017-2018, p 2, available at: <https://www.accc.gov.au/publications/accc-telecommunications-report/accc-communications-market-report-2017-18>.

⁴ [c-i-c] [c-i-c].

⁵ For example, a recent report commissioned by Telstra demonstrated that for plans meeting the NBN’s Statement of Expectations objective of 50Mbps, Australia ranks as 5th most expensive of 25 markets considered by Ovum. Australia’s average price is 30% higher than the median average price and more than 80% higher than seen in the three least expensive markets. Ovum, NGN Price Benchmarking, 14 February 2019.



services,⁶ or withdrawing completely.⁷ This pricing complexity and volatility also makes it challenging for those wholesaling NBN services to provide certainty to access seekers.

Regulatory monitoring of upstream wholesale inputs (such as dark fibre and NBN wholesale aggregation) is not a solution to the issues described, which are directly attributable to nbn co’s wholesale pricing and practices. Instead, Telstra considers it is more appropriate and necessary to revisit the regulatory framework applicable to nbn co wholesale pricing.

⁶ See for example, report on Vocus appearing in CommsDay on 15 March 2019, where Vocus are quoted as follows: “We are ceasing aggressive NBN consumer customer acquisition due to the lack of profitability in this segment and uncertainty around future offers and pricing constructs.”

⁷ See for example, Amaysim decision to cease reselling nbn co services, as reported in the Australian Financial Review on 18 November 2018: <https://www.afr.com/business/telecommunications/amaysim-blames-punitive-nbn-costs-for-exit-from-broadband-20181116-h17zmu>



02 The market for dark fibre services is nascent and regulatory intervention is not justified

2.1. The market for dark fibre services is nascent, and the demand for services to NBN POIs is unclear

As set out in Telstra’s submission to the Market Study, Telstra considers the market for dark fibre services is competitive, characterised by the entry of new providers (including smaller service providers and providers from other industries) who have been successful in winning business from larger providers.⁸ [c-i-c] [c-i-c]. Telstra does not currently supply dark fibre services to NBN POIs because limited demand for these services does not justify the investment required to upgrade our networks and productise such a service. Our experience is that customers generally prefer managed solutions combining service and assurance at a bandwidth level that can be flexibly varied as their needs change. However, as Telstra is relatively new in supplying dark fibre and all opportunities are yet to be fully explored, the market segments in which we supply services are likely to change and expand.

In addition to competition between dark fibre suppliers, there is also competitive tension from substitutable services such as transmission services. Regulation of the domestic transmission capacity service (DTCS) is well established in Australia and guarantees competitive pricing for managed transmission services on regulated routes. On deregulated routes (including those utilised as backhaul from NBN POIs) transmission prices in the market are below regulated rates.

2.2. Dark fibre is subject to limitations that restrict its feasibility as backhaul to NBN POIs

There are various technical factors that impact the effectiveness of dark fibre services in providing backhaul from NBN POIs, particularly in regional and remote areas. Dark fibre services are only effective over limited distances because the signal becomes degraded the greater the distance it is required to travel. The specific distances over which these services can be effective depends on the customer’s end point equipment and the bandwidth of the service, amongst other factors.

2.3. Comparative jurisdictions do not justify regulatory intervention in backhaul dark fibre in Australia

In the Consultation Paper, the ACCC refers to regulatory settings in other jurisdictions as part of its consideration as to whether to intervene in the dark fibre market. Telstra considers that the market structure and regulatory framework in Australia are materially different from a number of the countries considered by the ACCC and therefore these comparative jurisdictions do not provide useful instruction.

The ACCC discussion paper focusses on dark fibre services used as backhaul from an aggregation point to a wholesale customer’s point of presence. In some jurisdictions, for example the Netherlands and Sweden, dark fibre for backhaul is subject to regulated pricing. However, in the Netherlands, justification for regulating dark fibre for open access was a market with only one large backhaul fibre infrastructure provider with substantial market power. In Sweden, there is a unique market environment characterised by many local municipality networks, each with a dominant player in a given local

⁸ Telstra, ‘Telstra Corporation’s Submission to the ACCC Communications Sector Market Study’, public version, confidential version, December 2017, p 3.



geography. By contrast, in Australia we have a national market for residential broadband services and competition amongst multiple backhaul access providers.⁹

Other jurisdictions regulate ‘dark fibre’ serving a very different use case – the last mile of fibre from the end user to the nearest exchange or handover point. Regulation of this nature is often referred to as a ‘Virtual Unbundled Local Loop’ (**VULL**) and pricing for these services is often far more competitive than a traditional ‘Bitstream’ service, such as that supplied by nbn co in Australia. The provision of a VULL product has been regulated in the UK, and is due to be offered in New Zealand from 2020. Regulation of a dark fibre type service for the last mile may be appropriate because there are no technical limitations and this part of the broadband supply chain is often uncompetitive, including in Australia where it is controlled by nbn co. These international precedents support a case for greater regulation of the services offered over nbn co’s last mile monopoly.

2.4. The proposed dark fibre RKR would be of little value and could harm development of the market

For the reasons detailed above, there appears to be little need or justification for imposing a formal RKR on industry to monitor the supply of dark fibre services to NBN POIs. The market is still developing and needs to be considered in the broader context of the market for high bandwidth backhaul, including transmission services. Any form of regulatory intervention at this stage of the development of these markets – even in the form of formal monitoring or information requirements – only threatens future investment and innovation in dark fibre services that may expand feasible use cases.

⁹ nbn co indicate there at 15 providers who supply backhaul services from an nbn POI as at April 2019. See <https://www.nbnco.com.au/sell-nbn-services/wholesale-providers>



03 NBN wholesale aggregation services are competitive and intervention could hinder market development

3.1. Wholesale aggregation markets are growing in line with NBN rollout and increasingly competitive

The markets in which NBN wholesale aggregation services are supplied are competitive and, although relatively small, are growing at a rate broadly in line with the NBN roll out. This growth has occurred despite the challenges faced by NBN wholesale aggregation service providers, including nbn co’s wholesale pricing structure which is squeezing industry margins at the wholesale level to close to zero.

On the demand side, market growth is reflected in the significant increase in the number of wholesale aggregation services being supplied by Telstra over the past two years, from [c-i-c] [c-i-c]. On the supply side, evidence of effective competition is illustrated by:

- a diverse contingent of wholesale providers,¹⁰ including relatively new entrants MyNetFone (iBoss) and Aussie Broadband (Wideband);
- the success of a sub-wholesale structure from some providers, such as Telco in a Box; and
- increasing product differentiation, as described in more detail in Section 3.2.

Telstra expects that effective competition in these markets will be sustained, provided the issues raised in Section 1.2 regarding nbn co wholesale pricing are addressed and that the market is supported by low regulatory costs and risk.

3.2. Telstra has adjusted its products to better meet access seeker demand

There were three key concerns identified in the ACCC’s analysis of the markets in which NBN wholesale aggregation services are supplied as part of the Market Study, and these have been reiterated in the Consultation Paper. These concerns related to pricing of NBN wholesale aggregation services and the passing through of discounts, differentiation in the market, and to delays in products coming to market.¹¹ While these concerns may have been relevant in the early stages of market development, they have since either been resolved in the normal course of customer demand and competition in the market or reflect inherent limitations of the underlying services provided by nbn co.

Telstra has adapted its wholesale product set in response to customer demand, reflecting competition between different wholesalers. For example, we offer:

- the flexibility to acquire standalone voice (TC1) and broadband (TC4) services, business-grade services (TC2) as well as various bundles of these services;
- extensive reporting capabilities that allow monitoring of speeds on services, augmentation of CVCs and traffic throughput;
- a true national solution, which lowers barriers of entry for small providers because they only need to maintain physical infrastructure in one state to provide NBN services across Australia;
- the ability for customers to flexibly manage their service by shaping/limiting traffic (controlling how much traffic passes through the aggregation network), thereby controlling the variable cost component to the product; and

¹⁰ Refer to list of nbn co wholesale providers at <https://www.nbnco.com.au/sell-nbn-services/wholesale-providers>. As at 14 March 2019, 18 wholesale providers were listed.

¹¹ Consultation Paper, p13.



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- the ability for customers to provide their own differentiated gateway and to customise delivery options to achieve the desired customer experience.

Telstra also provides equivalent customer experience to wholesale aggregation customers as to our own retail business. Telstra Wholesale passes on any benefits to its customers that are the direct result of pricing changes in NBN services including dimension based discounting and other special discounts. Further, Telstra is committed to aligning wholesale product launches (e.g. for new technologies under the multi-technology mix) with retail so as not to disadvantage our wholesale customers.

Telstra’s network architecture does not currently support layer 2 residential internet services. Telstra has considered offering layer 2 services in parallel to layer 3 services, however, there is not a sufficiently strong business case to do so. That is, the expected investment cost is too great relative to the expected uptake of new layer 2 services at this point in time. Further, we have not had any customers approach us about utilising nbn co’s NNI Link product to supply their services, however we would use this product if the demand was present. The flexibility and differentiation that Telstra provides in a vast majority of cases is apt to satisfy customer requirements.

3.3. The proposed NBN wholesale aggregation services RKR could harm development of the markets in which these services are supplied

Telstra agrees that “the competitive supply of NBN wholesale aggregation services is vital to a robust downstream market”.¹² The markets in which NBN wholesale aggregation services are supplied are growing, and competition is delivering innovation and product differentiation that is addressing historical customer concerns. This has occurred without regulatory intervention and Telstra expects these trends will continue. As such, there is no need to impose a formal RKR, which Telstra considers would harm the emerging markets. As discussed in Section 1.2, access providers already struggle to achieve sustainable margins on NBN wholesale aggregation products. The cost of complying with an RKR (discussed in Section 4) in the context of such slim margins, would further challenge the feasibility of providing NBN wholesale aggregation.

¹² Consultation Paper, p 13.



04 There are costs and challenges in providing the requested information, and alternative means are available

4.1. The proposed requirements are onerous and a material cost impost

The work required to fulfil the proposed RKR requirements is over and above what is required to satisfy current internal business processes. The additional work that would be required to comply with the proposed RKRs (including extracting and validating data, re-formatting to the specified form, preparing, reviewing and submitting the reports) would impose a real cost burden on Telstra.

Based on staff time that would be allocated to produce the requested information, our preliminary estimate is that the additional compliance cost impost for Telstra would be:

- For the dark fibre RKR, 300 hours of staff time to set up reporting processes and an additional 300 hours per annum to produce the reports each quarter, at an estimated annual cost in the first year of [c-i-c] [c-i-c]; and
- For the NBN aggregation services RKR 450 hours of staff time to set up reporting processes and an additional 225 hours per annum to produce the reports each quarter, at an estimated annual cost in the first year of [c-i-c] [c-i-c];

These estimates are based on past experience compiling information for other RKRs. For example, the now expired Telstra Exchange Facilities (TEF) RKR imposed an average impost of 90 hours of staff time per month [c-i-c] [c-i-c]¹³.

These costs are material relative to the revenues and profitability of these product portfolios. [c-i-c] [c-i-c].

Due to confidentiality obligations in standard customer contracts, Telstra would also need to notify contracted wholesale aggregation customers of the disclosure to the ACCC each reporting period, adding to the burden imposed by the proposed RKRs.

4.2. Some of the information requested is not clear, difficult to provide, already available elsewhere or not available

4.2.1. The requirement to provide information about fibre links ‘available’ for dark fibre services is not clear, nor are the definitions of number of links and termination points

For providers such as Telstra who fall into reporting ‘category 2’ under the proposed RKR (i.e. service provider with dark fibre connected, or able to be connected, to NBN POIs, but not currently supplying services using that dark fibre to connect NBN POIs to an access seeker’s own core network), it is unclear what the ACCC intends by defining fibre links which are ‘available’ as dark fibre. In a practical sense, none of our fibre links to NBN POIs are able to be connected as dark fibre because we have not productised such a service. On the broadest interpretation of the information requested, our entire fibre network (subject to the distance and other technical limitations described in Section 2.2) is capable of supplying dark fibre services. Under such an interpretation, the requirement would be to provide an onerous spreadsheet listing of all Telstra fibre links. This would not seem to add any value over and above the information already provided to the ACCC on an annual basis under the Infrastructure RKR.

¹³ Telstra, ‘Review of access to Telstra Exchange Facilities Record Keeping and Reporting Rules: Telstra’s response to the ACCC’s consultation paper’, confidential version, 6 June 2017, p6-7.



However, perhaps the most reasonable interpretation is that the ACCC is seeking information about spare or unallocated fibre that is therefore ‘available’ to be offered as dark fibre. In this case, Telstra notes that excess capacity in our fibre network is very dynamic, and a point in time snapshot is going to be of very low utility. Also, while Telstra has multiple fibres terminating in our exchanges, the NBN POI itself is a separate installation, and we have only limited and necessary fibre connections into the NBN POIs via tie cables (where the POI is co-located in a Telstra exchange) or external cabling.

Other threshold interpretation issues include:

- **Termination point for defining relevant ‘Links’:** Section 3(c) in Schedule C of the proposed dark fibre RKR instrument refers to an NBN POI as the relevant termination point. Telstra assumes this is an error, as it would infer reporting is intended to be for links between NBN POIs (i.e. that both originate and terminate at an NBN POI), which would be of limited utility. We note that ‘Point of Presence (**POP**)’ is defined in the list of definitions yet not used in the instrument; and
- **Number of Links:** Telstra (and other fibre infrastructure owners) have extensive and complex matrix style networks. Therefore defining the relevant termination point for a particular fibre link is difficult, because any given link will pass through various intermediate interconnection points. It may be that the ACCC is most interested in links to the nearest point of interconnection, or those which terminate in capital city exchanges (where it is more likely that access seekers have points of presence), but this is not clear in the proposed RKR instrument.

Before implementing any dark fibre RKR, it is important that the definitions are sufficiently clear to ensure that the appropriate scope of information is required to be provided. However, whatever interpretation is intended, it is also important to recognise that this information is onerous to extract and difficult to present in a usable format. Telstra also considers that it is likely to offer very limited value to the ACCC in understanding the market for dark fibre services. Further, such information is also commercially sensitive and highly susceptible to misinterpretation.

4.2.2. Wholesale pricing information by access seekers for wholesale aggregation services is difficult to present in the proposed template

The prices charged to individual customers for NBN wholesale aggregation services are typically based on bespoke contracts with complex matrix-type pricing structures that vary depending on a number of factors. For example, the nature of the service supplied, contract term and other wholesale services provided to that customer. It would therefore be a time consuming and resource intensive process to provide prices charged for NBN wholesale aggregation services for individual customers in the manner proposed. This is because the way the information is sought to be compiled is not the type of reporting required to manage the business and would need to be compiled manually. In a dynamic market where NBN wholesale pricing structures are uncertain and subject to change, prices are also likely to change from period to period, as any new discounts or beneficial pricing structures are passed through to wholesale customers. Therefore the onerous task of re-formatting pricing information would likely be replicated each reporting period. An alternative means of sourcing this information could be for access providers to make available customer contracts which include pricing information. This approach would have the benefit of being simpler from a compliance perspective and providing more context on pricing decisions to the ACCC. It is also consistent with past precedent of data provided through informal information requests.



4.2.3. CVC management is not consistent with providing information disaggregated by access seeker or business unit

Telstra is not in a position to provide information about the CVC usage of an access seeker, nor information about relative CVC allocated to wholesale and retail business units. This is because Telstra does not manage CVC on a customer basis. Instead, we aggregate CVC at a corporate level on a POI by POI basis and dynamically manage capacity across our entire portfolio of services under a single Wholesale Broadband Agreement (**WBA**) with nbn co. This way, Telstra’s wholesale customers benefit in the same way as our retail business unit from our best practice CVC management.

4.2.4. Retail NBN broadband prices are available publicly so should be excluded from the scope of requested information

Retail NBN broadband prices by speed tier should be excluded from the scope of any RKR because:

- it is not clear how this information is relevant to the services subject to the RKRs, nor the stated objectives. Prices for retail plans vary with specific service inclusions and bundle add-ons, and are not apt for straightforward comparability with wholesale pricing;
- this information is publicly available. Telstra makes pricing information publicly available on our website, and this is standard practice for other RSPs as well; and
- this information changes reasonably frequently such that quarterly reporting with a further two month lag time would be of limited utility.

As such, providing retail NBN pricing is an unnecessary burden on access providers.

4.3. There are alternative means of sourcing the requested information that would lower the regulatory burden, or the scope of the RKRs should be restricted

Formal regulatory reporting and information provision requirements are a cost impost on industry and it is not clear that the benefit outweighs this burden. Market understanding can be obtained via alternative means, including stakeholder engagement, which the ACCC has used to great effect previously. This approach would allow the ACCC to satisfy the stated objective (to gain greater insight into dark fibre and NBN wholesale aggregation markets), at far lower cost to access providers.

However, if the ACCC decides to implement the proposed RKRs they should be amended to reduce the regulatory burden by:

- (1) reducing the reporting frequency – for example, annual reporting would align with precedent for other RKRs applying to access providers including the Division 12 RKR and Infrastructure RKR.
- (2) reducing the scope of information requested. In light of the feedback provided above, Telstra suggests that the scope of the NBN wholesale aggregation RKR could be amended to:
 - i. remove the requirement for wholesale customer pricing information to be provided in template table (i) and instead require that access providers submit wholesale customer contracts from on a once off basis (subject to wholesale customer consent);
 - ii. clarify that table (i) only requires SIOs to be reported on an access seeker-by-access seeker basis and not additionally by NBN POI, as indicated per Section 2(b) in Schedule A of the proposed RKR instrument. Reporting by POI would add materially to the number of separate data points required, and we don’t currently have this information available in standard reporting;



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- iii. remove the requirement to provide retail NBN pricing in table (ii); and
 - iv. remove tables (iii) and (iv) because Telstra doesn’t contract CVC on a customer-by-customer basis, nor does Telstra allocate CVC by business unit.
- (3) removing the requirement for ‘category 2’ providers to report information under the proposed dark fibre RKR
- (4) formalising an end date in the RKR instruments, following the completion of the NBN rollout. Such an approach would be consistent with an objective to better understand the market, whereas an open-ended requirement signals an intention to monitor a known concern.



Appendix 1: Responses to the ACCC’s questions

	Question	Telstra Response
1	Do you consider that there have been developments in the market for dark fibre since the ACCC market study in 2017-18 that have changed the competitive dynamics of the market?	The market for dark fibre services remains nascent and is developing in competitiveness. Refer Section 2.1.
2	Do you consider that there is a need for an RKR for dark fibre?	No – for the reasons outlined in Section 2.
3	Do you consider that the NNI Link product from nbn co or other developments since the ACCC market study in 2017-18 have changed the competitive dynamics of the market for wholesale aggregation services?	Telstra has not had any customers approach us about utilising nbn co’s NNI Link product to supply their services. As such, we are not in a position to comment. More generally, Telstra’s view on the current state and development of the provision of NBN wholesale aggregation services is that the markets in which these services are supplied continue to be characterised by an increasing level of competition and growth, and that this is driving innovation and product differentiation to the benefit of wholesale customers. Refer Section 3.1.
4	Do you consider that there is a need for an RKR for NBN wholesale aggregation services?	No – for the reasons outlined in Section 3.3.
5	Are there any other service providers that should be considered for inclusion in the scope of the proposed RKR (see Section 6.1)? Alternatively, should any listed above not be included?	While Telstra’s position is that the RKR is not required, if implemented, it should apply to all providers of the relevant services. The list of service providers in the proposed RKR instruments is appropriate.
6	Is a submission due date of two months following the reporting period sufficient to collate and submit all necessary data items requested as part of the proposed RKR? If not, please explain why.	Yes, Telstra considers that a reporting date two months following the reporting period is sufficient to collate and submit all necessary data items requested as part of the RKR, subject to the impediments and exceptions discussed elsewhere in this submission.
7	Do you support the proposed quarterly reporting frequency until 30 June 2021 with the RKR being reviewed leading up to this date (following the completion of the NBN rollout)?	As discussed in Section 4.3, Telstra considers that the objectives the ACCC is seeking to meet could be achieved at lower cost through stakeholder engagement. Alternatively, in order to minimise the reporting burden on industry, Telstra considers that reporting one a once off basis is more appropriate. We believe this is sufficient to allow the ACCC to draw appropriate insights into the dark fibre and NBN wholesale aggregation markets.



		For any RKR that is implemented, we would support review leading up to the completion of the NBN rollout.
8	Do you consider the information proposed to be collected for dark fibre services would provide an appropriate insight into the market?	It is not clear what insight to the markets in which dark fibre are supplied that the ACCC would gain from the proposed reporting requirements for ‘category 2’ providers. Further, the cost of extracting and presenting this information is material.
9	Do you consider the information proposed to be collected for NBN wholesale aggregation services would provide an appropriate insight into the market?	The information proposed to be collected would provide some insight to the relevant markets, though there is no evidence to suggest that this information will suggest any market failure. In fact it is likely to demonstrate growing services and decreasing prices over time, consistent with historical trends. The ACCC could obtain these insights with lower regulatory burden through stakeholder engagement.
10	Are the definitions and concepts outlined within the proposed RKR documents (Attachments A and B) easy to understand, accurate and relevant? If not, what changes would you suggest?	The definition of ‘available’ fibre links in relation to category 2 service providers in the dark fibre RKR is not clear – refer to Section 4.2.1.
11	For wholesale providers - are the proposed data requirements, as outlined in Attachments A and B, feasible and reasonable? If no, what changes would you suggest?	Should they be implemented, Telstra believes the scope of the proposed RKR could be refined to reduce the regulatory burden on industry – refer Sections 4.2 and 4.3.
12	What additional costs do service providers expect to incur in complying with the data requirements outlined in Attachments A and B?	Refer to Section 4.1.
13	Do you think there are any refinements that could be made to further reduce compliance costs, whilst also ensuring that the requirements are fit for purpose and meet the objectives outlined in Sections 2.2 and 3.2?	Should they be implemented, Telstra believes the scope of the proposed RKR could be refined to reduce the regulatory burden on industry – refer Sections 4.2 and 4.3.