

Submission to Determination Inquiry - Draft Report response, fixed line services and domestic mobile terminating access service

Virtutel Pty Ltd (“Virtutel”), is an active participant in the Telecommunications Market in Australia, who is affected directly by these declarations.

Virtutel is broadly in support of the ACCC’s involvement in the continued regulation of pricing for Voice Terminating and Originating Calls, however we are concerned that the new regulated FTAS and FOAS rates and the supported modelling do not consider several factors of running interconnected fixed line networks currently, of which:

- There are Increased costs into renewal of Plant, Software and backhaul links within networks which are not decreasing, but increasing in cost
- Increased cost of staffing, especially around management of SCAM mitigation
- No actual breakdown on the percentage of Mobile Services using alternate access technologies such as VoWiFi which, when in operation over fixed networks have a similar cost base to that of Fixed Networks.
- Comparing networks and deployments which have a greater population density than that of Australia.

Virtutel believes dropping the rate to 0.21 cents per minute for Fixed Origination and Termination from 2027 is below cost and would put cost pressure on running fixed networks which would be accreted from elsewhere (higher monthly charges for services). Virtutel believes that keeping 0.65 cents as the determined rate for FTAS/FOAS beyond 2026 provides balance when compared to the drop in the MTAS rate and allows for continued investment in the Fixed Network.

Virtutel would also further like to see the FOAS Rate also applied for origination of 1800 Services from Mobile Services, where the MNOs have generally charged their own determined rates for originating termination for these call types. FTAS Rates should also be extended to cover for termination to 13/1300 Services.

Further, due to the short time frame now before the end of the year to implement these changes for the 1st of January, we propose the ACCC extends the existing determination to the 30th of June 2026, with the new determination starting from the 1st of July 2026.

For any questions, Please Contact

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