

ACCC's Broadband Speed Claims – Industry Guidance

Introduction

The Australian Competition and Consumer Commission (ACCC) has released its report on the effectiveness of the *Broadband Speed Claims – Industry Guidance* (Guidance) and has sought input on updating the Guidance.

Vocus Group Limited (Vocus) is an ASX listed, vertically integrated telecommunications provider, operating in the Australian and New Zealand markets. Vocus owns an extensive national infrastructure network of metro and back haul fibre connecting all capital cities and most regional cities across Australia and New Zealand. Vocus owns a portfolio of brands catering to corporate, small business, government and residential customers across Australia and New Zealand. Vocus also operates in the wholesale market providing high performance, high availability and highly scalable communications solutions which allow service providers to quickly and easily deploy new services for their own customer base.

As an active participant in telecommunications markets in Australia, Vocus welcomes the opportunity to provide a response to the ACCC.

Clarity and usability of the Guidance

Vocus agrees with the ACCC that it is important to provide consumers with reliable and clear information about broadband speed.

Factors known to affect service performance should be disclosed to customers

Vocus strongly supports the ACCC's stated purpose that consumers should have relevant information about service performance to assist them in making sound purchasing decisions. However, the information NBN Co makes available to RSPs about service speeds before an order is activated does not appropriately support RSPs in advertising and selling FTTN, FTTB and Fixed Wireless services.

Consumers would have more relevant information to assist their purchasing decision if NBN Co enhanced its Service Qualification tools and provided RSPs with:

- Maximum attainable line speed data for FTTN, FTTB & FTTC services
- Congested cell data for Fixed Wireless services
- Technician availability

If this information was provided by NBN Co, RSPs would be able to provide clearer and more relevant information to consumers prior to sale. We could continue to innovate and better manage consumer expectations during the sales process by appropriately tailoring the plans displayed to the consumer. For example, potential customers would be able to use a RSPs website to perform a check on their address and be provided with a view on speed and time to connect. This information would be more meaningful than the “*disclosures prior to sale*” statements currently provided by RSPs (to the effect of ‘actual speeds to be confirmed’) as suggested in 5.26 and 5.36 of the Guidance.

In this environment of unsustainably high NBN wholesale prices, this information sharing by NBN Co with RSPs would also reduce compliance and operational costs incurred by RSPs.

NBN pricing

Vocus also submits that the ACCC should continue to monitor NBN wholesale pricing to determine whether changes to the current approach would deliver better outcomes for consumers given the continued increasing demand for data.

Small business consumers

In Australia, Vocus sells broadband services to small business consumers through its Commander brand.

The Guidance states that it applies to fixed-line broadband plans offered to residential and small business customers on the NBN and other next generation broadband networksⁱ.

Principle 1 provides that consumers should be provided with accurate information about typical busy period speeds that the average consumer on a broadband plan can expect to receive. We suggest that the guidance at clause 5.4ⁱⁱ should be redrafted to provide that:

A RSP may also choose to provide an indicator of the typical busy period speed of retail plans it offers to small business customers. For plans marketed to small business customers, the busy period falls between 9am and 5pm, Monday to Friday.

Principle 5 provides that performance information should be presented in a manner that is easily comparable by consumers. The guidance concerning this principle notes that:

The ACCC considers it would currently be of most benefit to consumers for RSPs to provide speed and performance information by applying a text-based label as part of all *residential plan* descriptions and marketing materials.ⁱⁱⁱ (my emphasis)

To improve the clarity and usability of the Guidance, Principle 5 should be amended so that it expressly applies only to residential consumers. In the alternative, clause 5.31 could be amended to expressly state that the guidance on preferred standardised “evening speed labels” is not relevant for plans offered to small business customers.

Please direct any questions regarding this submission to:

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ⁱ *Broadband Speed Claims – Industry Guidance*, clause 2.4

ⁱⁱ Clause 5.4 currently states: An RSP may also choose to provide an indicator of the typical busy period speed of retail plans it offers to its small business customers, but in that circumstance the busy period would likely fall within standard work hours on work days.

ⁱⁱⁱ *Broadband Speed Claims – Industry Guidance*, clause 5.31