ACCC 2020 Broadband speed claims consultation

Vocus Group Limited (Vocus) is Australia's specialist fibre and network solutions provider. Vocus owns a portfolio of well-recognised brands catering to enterprise, government, wholesale, small business and residential customers across Australia and New Zealand.

In July 2020, the ACCC released a consultation paper which seeks views on a number of issues relevant to the presentation of consumer information about broadband speeds with a particular focus on services with a wholesale download speeds in excess of 100 Mbps.

As an active participant in telecommunications markets in Australia, Vocus welcomes the opportunity to respond to the ACCC's consultation paper and proposed enhancements to the Broadband Speed Claims - Industry Guidance (Guidance).

Proposed enhancements

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

Where wholesale product specifications give a range of speeds and burst speeds

ACCC question	Vocus response
Do RSPs plan to market > 100 Mbps services uniformly regardless of underlying access technology?	For consistency in our marketing of plans to our customers, Vocus plans to market >100 Mbps services uniformly regardless of underlying access technology. It is too onerous for Vocus to differentiate its marketing based on the underlying access technology given the geographic differences across technology types, although appropriate disclosures will be included in marketing campaigns.
Are there any issues with specifying that RSPs should utilise the lowest end of a range of speeds provided by a wholesale provider, where RSPs rely on that information in advertising typical off-peak speeds?	In relation to 500-1000/50 Mbps services, Vocus supports the position that there should be appropriate and proportionate consumer safeguards to ensure that RSPs provide guidance on expected peak time speeds. For a residential customer, providing information on the expected evening speeds is appropriate and is aligned with current practice. Outside of the new high-speed tiers, there are currently "ranged" speed tiers reflecting NBN's multi-technology mix specifically relating to FTTN, FTTC and FTTB services. For these access technology types, the underlying product specification for the 'NBN50' speed tier is 25-50/5-20 where 50Mbps is the theoretical off-peak maximum, and for 'NBN100' product specification is 25-100/5-40, where 100Mbps is the theoretical off-peak maximum speed. The proposed amendments do not address these scenarios. Accordingly, Vocus has a number of concerns about the ACCC's proposed changes: • The ACCC's proposed change suggests that FTTN/C/B customers should be shown the "theoretical minimum" speed as opposed to what is generally available across all NBN access technology types. It is not clear if this means that for FTTN/C/B services RSPs could not call a NBN50 product

	"NBN50" without stating that the expected speed is likely to be 25Mbps • Information relating to Maximum Attainable Speed (MAS) provided by NBN Co to inform consumers of their line speed performance shows that approximately 15% of services are not capable of achieving 100% of the chosen speed tier. This means that 85% of customers are connecting on services that are capable of achieving speeds closer to their counterparts on other access technologies. The suggested changes on this issue are likely to create more confusion for customers and not the desired objective of clarity. • In light of this, Vocus submits that using a minimum speed will cause customer confusion and an unnecessary compliance burden for RSPs. For example, a RSP might: o sell a NBN50 plan for $75 across all fixed access technology types and state that the typical evening speed is 42Mbps. o sell a NBN25 plan for $60 and state that the typical evening speed is 20Mbps. The ACCC's proposed changes suggest that the RSP would need to advertise FTTN/C/B addresses with a speed of 25Mbps, which a customer would then compare with the NBN25 $65 plan which will have an advertised typical evening speed of 20Mbps. In this scenario, customers will most likely choose the more affordable plan, as they will achieve a similar speed. However, the RSP will then inform the customer of the Maximum Attainable Speed, which may indicate that a better speed is available, and the customer will then have to upgrade to achieve that better speed. Given the data provided by NBN, this scenario of a better speed being available is likely to occur in at least 85% of customers connecting or churning in the NBN fixed broadband market, which would inevitably cause significant consumer confusion.
Can the meaning of burst speeds be readily conveyed to consumers in marketing material?	Vocus submits that it is not feasible to convey the concept of burst speeds to consumers. Sales and service conversation with our customers need to be focused on what speed the customer can reasonably expect from their service, not what might be achievable or not.
Do you have any comments on the proposal that RSPs clarify off peak speed expectations for particular consumers where they differ from what is described in retail marketing?	Information about off peak speed expectations is already provided to customers in relation to FTTN/C/B access technologies, where a customer's attainable speed is provided to them after they connect to NBN. Congestion on Fixed Wireless cells is also disclosed to affected customers. If a customer is unhappy with the performance of their service, or the maximum attainable speed for their service is not capable of achieving the speeds represented in retail marketing, then RSPs already provide remediation options to impacted customers - customers are able to downgrade their plan speed, and refunds or leave without cost.

Promoting online gaming applications

ACCC question	Vocus response
Are there any barriers to RSPs provisioning their networks to ensure a high quality gaming experience?	Vocus notes that there is a significant difference between playing online games and downloading online games and gaming updates. NBN is a low latency network and more than suitable for online gaming, or online interactions. However, customers' expectations may not always be met in relation to how quickly they are able to download game updates or expansions.

General disclaimers about limited geographic availability of certain broadband products and requirements for specific consumer equipment

ACCC question	Vocus response
Principle 4 of the Guidance states that factors known to affect service performance should be disclosed to consumers. Do you have any questions on our proposed changes to the Guidance in respect of Principle 4?	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. Vocus already informs customers, where relevant, of the geographic limitations of certain products. The provision of this information is partially dependent on the Service Qualifications (SQ) API. Vocus uses the footprint information provided by NBN to assess the available technology/products available at a given address. A consumer may run a SQ online and will be presented with only the plans that are available at their address. Vocus agrees that RSPs should make it clear if a customer requires additional or specific equipment to meet the requirements of the service speed.

Descriptive labels

ACCC question	Vocus response
Principle 5 of the Guidance states the performance information should be presented in a manner that is easily comparable by consumers. Should the 'Premium' label be applied to >100 services or should new labels be developed for >10 0Mbps services? Is it appropriate to treat wholesale products that have the same download speeds, but different upload speeds, in the same way for the purpose to	The current guidance specifies that the 'Premium' label applies to services delivering speeds of 60Mbps of above. Given the newest speed tiers are likely to deliver far in excess of this threshold, the 'Premium' label loses its meaning if all services above 60Mbps fall within this category. Vocus submits that the label descriptors need to be reconsidered more holistically to align with the current market mix of plans, and developments in the market. Further, the ACCC should consider splitting the label descriptors between residential and business segments to better align with the expectations of these different customers and their requirements. The treatment of these wholesale products could by split into residential and business segments given that there is a differentiation between the speed tiers used for residential (250/25) and business (250/100).

labels and typical busy speed claims?	

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