

28<sup>th</sup> July 2017

Grahame O'Leary

Director, ACCC

Via: [grahame.oleary@accc.gov.au](mailto:grahame.oleary@accc.gov.au), [shane.adams@accc.gov.au](mailto:shane.adams@accc.gov.au)

ACCAN wishes to thank the ACCC for the opportunity to submit to its review of the National Broadband Network Services in Operation record Keeping Rules (NBN SIO RKR) and the Disclosure Direction, which forms the basis of the NBN Wholesale Market Indicators Report.

ACCAN believes that the NBN SIO RKR provides an important level of transparency over NBN services. In addition the Wholesale Market Indicator Report, despite the limited information that is included, has proved to be very valuable for ACCAN's analysis of NBN. We regularly refer to information from the Wholesale Market Indicator Report in internal notes and environment scans and public submissions. It is particularly useful in understanding the take up of speed tiers over different technology and by different access seekers, understanding the market share of the top access seekers and tracking the CVC per SIO.

### **1. Should the ACCC extend the operation of the NBN SIO RKR?**

ACCAN strongly supports the continuation of the NBN SIO RKR. The information contained in the report is valuable in providing transparency, insight into the level of competition that is occurring during the rollout of NBN and the use of services in the rollout of the NBN. Removing the RKR at this stage would be premature.

### **2. If so, for how long should the ACCC extend the NBN SIO RKR?**

ACCAN proposes an extension for 5 years, to September 2022. This timeframe would cover the completion of the rollout, the final areas transitioning through the migration period (18 months after the rollout) and the start of the settling period post rollout. These are important periods that should be monitored for competition distortions and to understand if there are changes to services delivered to end users.

### **3. Should the ACCC vary the NBN SIO RKR and if so, what modifications or additions should be made to the RKR?**

ACCAN supports the variation of the RKR as proposed by the ACCC in the consultation document (AVCs per CVC link, CVC capacity, Reporting periods). The three proposed variations all appear to have merit.

### **4. Should NBN Co provide information under the NBN SIO RKR on CVC capacity including the number of AVCs per CVC link for each access seeker group at each POI?**

ACCAN believes this information would be very valuable in understanding product dimensioning.

### **5. Should NBN Co report by state rather than by state group?**

ACCAN believes there could be merit in doing this. The states have a different nbn rollout timeframes (e.g. ACT will be one the last states/territories to be completed), network and competition differences (e.g. Tasmania has backhaul complexities which may result in lower

competition and should be monitored separately). Providing information on a state basis will help to understand if there are any issues and the extent of the issue.

**6. NBN Co currently reports on CVC utilisation rates over the reporting period as well as during peak periods. Should NBN Co also specifically report on CVC utilisation rates where an access seeker exceeds a specified limit (for example 95%) during particularly periods (e.g. hourly, daily, weekly) at each POI?**

ACCAN supports this proposed reporting variation.

**7. Should NBN Co report to the ACCC on a more frequent basis?**

ACCAN supports a move to monthly reporting, or reporting which is broken down by months.

**8. Should the ACCC reissue the Disclosure Direction to NBN Co if the Rules are extended?**

Yes. ACCAN believes that the information released through the Disclosure Direction is not sufficiently detailed. The Disclosure Direction should be re-issued to include further information (outlined in no. 9).

**9. Are there any changes that should be made to the Disclosure Direction?**

While we use the quarterly Wholesale Market Report regularly, greater detail in the reports would prove to be very valuable. In particular:

- More frequent reporting than quarterly.
- Table 2:
  - The total CVC contracted, while useful, does not provide sufficient detail. Further information should be supplied by Access Seeker and by peak hour. The RKR collects information which would allow for the following to be released also:
    - Average TC1 CVC utilisation by POI and Access Seeker
    - Average TC2 CVC utilisation by POI and Access Seeker
    - Average TC4 CVC utilisation by POI and Access Seeker
- Table 3:
  - Number of AVCs per POI and amount of CVC contracted per POI.
- Table 4:
  - ACCAN believes that 5% is too high a threshold for Access Seekers. Access Seekers that have a 1% of the total TC-4 AVC should be included in the table also. This is particularly important for regional areas which tend to rely on smaller providers.
  - ACCAN believes additional tables, similar to Table 4, but based on TC1 and TC2 would be useful. This will help to understand further the product differentiation, particularly by voice only and business products by access seeker group.
- Table 5:
  - ACCAN believes that 5% is too high a threshold for Access Seekers. Access Seekers which have a 1% of the total TC-4 AVC should be included in the table also. This is particularly important for regional areas which tend to rely on smaller providers.
- Table 6:

- Similar to response in question 5, having information by state rather than state group would be useful.

**10. Should the Disclosure Direction require NBN Co to provide information on the average CVC to AVC ratio for each access seeker group (including by POI and by traffic class)?**

ACCAN strongly supports this proposal as it would provide greater transparency over performance and the efficient use of the NBN.

**11. The Disclosure Direction currently does not require NBN Co to provide information on CVC utilisation rates as currently reported under the NBN SIO RKR. Should the Disclosure Direction be amended to require NBN Co to provide CVC utilisation rates?**

ACCAN strongly supports utilisation rates to be reported publically through the wholesale market report.

**12. On what basis should information on CVC utilisation be provided and disclosed (for example, on a peak and non-peak basis for each access seeker group, network access technology and POI)?**

ACCAN supports disclosure of CVC utilisation by peak basis by access seeker, network access technology and POI.

**13. Should the threshold for identification of an access seeker group for each network access technology be reduced from 5% to 1%, or by count of SIOs such as 1,000? Should this be applied on a POI basis?**

ACCAN supports reducing the threshold to 1%.

Yours sincerely



Rachel Thomas  
Senior Policy Adviser