

Tuesday 7th September

The Australian Competition and Consumer Commission
Via email: fixedline@acc.gov.au



Re: Wholesale ADSL service declaration inquiry

ACCAN thanks the ACCC for the opportunity to provide feedback on its inquiry into whether to remake, extend, revoke, vary or allow the Wholesale ADSL service declaration to expire.

The ACCC's position is that declaration of the Wholesale Asymmetric Digital Subscriber Line (ADSL) service should continue at least until 30 June 2024, prior to which the ACCC would conduct an inquiry jointly considering the future declaration of the Wholesale ADSL service and Telstra's other declared fixed line services. ACCAN supports this position.

ACCAN is particularly keen for the services to remain declared in areas where consumers don't have another alternative high speed or superfast broadband service that would provide an equivalent or better service than ADSL, such as areas outside of NBN's fixed line footprint, particularly those designated for NBN SkyMuster. Without the declaration Telstra has the ability and incentive to raise prices, limit access and/or reduce quality for access seeker's customers. Continuing the declaration would provide certainty for consumers who continue to use the service.

Between 21st June – 27th July 2021, ACCAN ran an online survey to understand consumers' experience of their ADSL service for those who have either satellite or fixed wireless technology available at their premises (see attachment). The results showed that the majority (62%) of respondents did not intend to switch to either NBN satellite or fixed wireless technology. The top three reasons for not wanting to switch to the NBN was because respondents consider that the NBN is not reliable (49%), the service is more expensive than their current ADSL service (44%) and the NBN service available to them has poor latency (42%). There was a small proportion of respondents (6%) who currently paid for both connections (an NBN connection and an ADSL connection) due to the quality of the NBN service being inadequate for their needs.

The results from the survey indicate that consumers generally do not consider a satellite or fixed wireless connection to be of equivalent quality to their current ADSL service due to reliability, speed, latency and cost issues.

Coded open-ended comments at the end of the survey revealed that a large proportion of respondents considered their ADSL service to be slow (37%), yet despite this just under a third (31%) indicated that they wanted to keep their service. There was a sentiment amongst the comments that despite ADSL being slow, it was the best option available to them, as many respondents considered satellite's capacity limits, speed, reliability, latency and cost to be a deterrent for use. Many of the comments mentioned how mobile connectivity was not available to them, and that connection to their ADSL service was essential and necessary. It should also be noted that some respondents were basing their view of satellite technologies on their direct experience using the service.

Australian Communications Consumer Action Network (ACCAN)
Australia's peak body representing communications consumers

PO Box A1158, Sydney South NSW 1235

Tel: (02) 9288 4000

www.accan.org.au | info@accan.org.au | [twitter: @ACCAN_AU](https://twitter.com/ACCAN_AU) | www.facebook.com/accanau

Extending the Wholesale ADSL declaration until 30 June 2024 would allow for a more holistic approach to the consideration of whether wholesale access to Telstra's legacy fixed line services should continue after the NBN migration is complete. Once the migration is complete, there needs to be consideration of what options there are for consumers outside NBN's fixed line network who do not view wireless, and particularly satellite services, as an appropriate substitute.

Question 1: The ACCC's position is that the WADSL service description in the ACCC's 2017 final decision on declaration remains current and appropriate. Do you agree?

ACCAN agrees that the Wholesale ADSL service description in the ACCC's 2017 final decision on declaration remains appropriate.

Question 2: The ACCC's position is that allowing the WADSL declaration to expire would be detrimental to competition for high-speed fixed-line broadband services. Do you agree?

Allowing the Wholesale ADSL declaration to expire would be detrimental to competition for high-speed fixed-line broadband services.

ACCAN's survey found that the majority of respondents (64%) felt they had very limited choice of ADSL provider. 71% of respondents purchase their ADSL service from Telstra, with the remaining 29% of respondents purchasing their ADSL service from 12 other retail providers. Whilst the majority of consumers are purchasing their ADSL service through Telstra, it's important that the choice of another provider remains available.

Declaration ensures that other retail service providers can offer ADSL services, which is particularly valuable to consumers who do not have access to the range of technologies and providers as urban areas.

Question 3: The ACCC's position is that extending the WADSL declaration in all Exchange Service Areas will promote competition in the relevant markets. Do you agree?

Extending the Wholesale ADSL declaration in all Exchange Service Areas will promote competition in the relevant markets. Within NBN's fixed line footprint, until all services have transitioned from ADSL to NBN, there is merit in extending the declaration to promote competition and provide certainty to consumers.

Outside NBN's fixed line footprint, there needs to be further consideration to determine whether satellite and fixed wireless technologies necessarily provide competition to ADSL services given service quality differences. It is ACCAN's view that consumers using ADSL technologies should not be 'forced' off the network until appropriate alternatives are available. Additionally, there is a question as to whether NBN has the capacity to absorb all of Telstra's ADSL customers should the service not be declared.

Question 4: The ACCC's position is that extending the WADSL service declaration will promote efficient use of relevant infrastructure. Do you agree?

Given that declaration and subsequent Final Access Determination will allow access prices to reflect efficient costs, ACCAN considers that the declaration will promote efficient use of infrastructure.

Question 5 The ACCC's position is to extend the WADSL declaration at least until 30 June 2024. Do you support this decision?

ACCAN supports extending the declaration until 30 June 2024. By this date the market might have developed more in terms of consumers having access to alternative technologies, such as Low Earth Orbit satellites, which could provide competition to ADSL service.

Sincerely,

Megan Ward

Economic Adviser

Attachment – Summary of ACCAN’s Consumer ADSL Survey

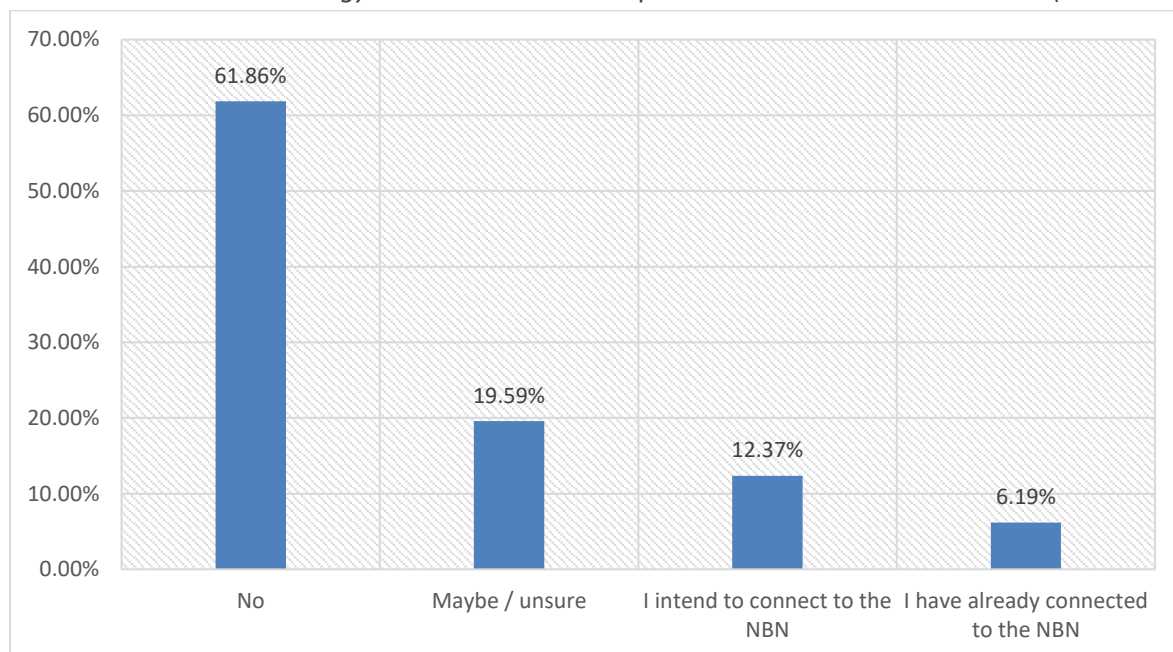
Between 21/06/2021 – 26/07/2021, ACCAN ran a survey to understand consumers experience of their ADSL service, particularly of consumers who live outside of the NBN’s fixed line footprint. Respondents were screened out of the survey if they did not currently have an ADSL service.

Of the 122 respondents with an ADSL service, 69% of respondents had NBN’s satellite service available to them at their residence, 18% are able to receive a fixed wireless service.

Switching to the NBN

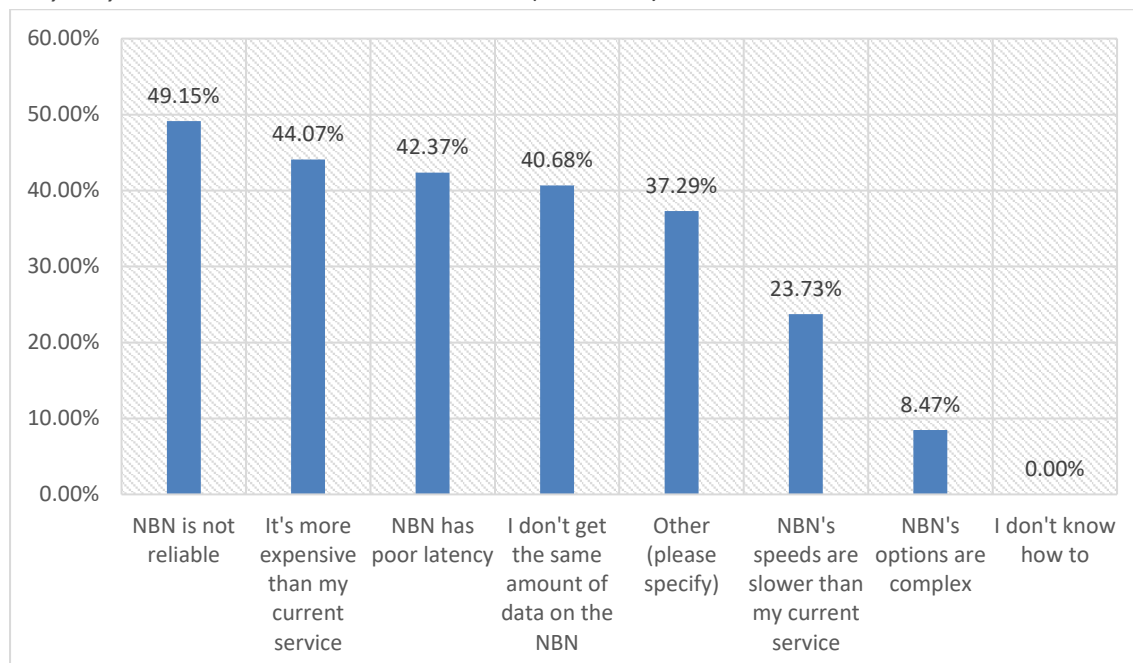
The majority of respondents (62%) did not intend to switch to NBN Satellite or Fixed Wireless technology.

Do you intend to, or have you already connected to the NBN? Note that areas where NBN Satellite and Fixed Wireless technology is available are not required to switch to an NBN service. (base = 97)



The top three reasons for not wanting to switch to NBN was because respondents considered that NBN is not reliable (49%), followed by the service being more expensive than their current service (44%) and the view that NBN has poor latency (42%).

Why do you not wish to switch to the NBN? (base = 59)



Concerningly, where respondents have selected “other” in response to why they do not want to switch to the NBN, multiple responses (17%) mentioned that the NBN is not available or does not work for them. Here is a selection of these responses:

- *Only service is Satellite and not viable for this terrain given trees and mountains.*
- *No nbn service*
- *We don't have the option*
- *There will be no NBN service to my area.*
- *NBN not offered at my residence*
- *Link to satellite not available due to location*
- *NBN is not available in my area*
- *We have tried to get nbn on many occasions but Ericsson won't give approval to connect our residence.*

Where respondents had selected that they were unsure whether they were going to get connected to the NBN, the open ended responses were themed around cost, quality of service and preference for a different type of connection. A selection of the responses is below:

- *I am hopeful that I will be able to use Elon Musk's Starlink when it is available in Queensland.*
- *Cost will be a factor*
- *I don't believe NBN satellite will give a good connection. I would prefer to switch to any faster option*
- *Unsure if satellite NBN will provide a service any better than our current ADSL service*
- *Concerned about quality of satellite. Lots of hills around us to impact service*
- *My experience with satellite broadband at a previous location was unsatisfactory. Data limits, frequent outages and high cost are unacceptable and not fair. Satellite broadband is not nearly as good as the services available in metro areas, definitely not metro equivalent.*

Where respondents had selected that they intend to connect to the NBN, they were then asked if they would keep their existing ADSL service. Of the 12 respondents asked this question, 3 people said they would keep their existing ADSL service in addition to an NBN connection, 7 had said they would not keep their ADSL service, and 2 said they were unsure.

For the 3 people who said they would keep their existing ADSL service when they connect to the NBN, the key reasons were because of poorer latency, speed, and reliability from their NBN connection:

- *In my home, 25 minutes outside of Brisbane CBD, we only have satellite. It is slow and unreliable. We NEED adsl. Mobile also does not work here, so we have no choices.*

For respondents who had indicated that they currently have an ADSL service as well as an NBN connection (6%), they were asked why they have both connections. Their reasons were generally in relation to reliability, speed and latency:

- *Reliability of connection*
- *NBN satellite service does not provide sufficient bandwidth*
- *We were only offered NBN Satellite. However, the latency on satellite is not useful for interactive sessions (voice/video calling, sites with lots of small elements that require session setup to download each one, games, etc). Thus we have retained the ADSL for when latency is important.*
- *Satellite nbn is slow, unreliable and drops out all of the time*
- *Wireless alone doesn't provide enough bandwidth for 2 people working from home.*
- *Because the satellite is poor quality and frankly embarrassing to use in video calls - people talk over me and I talk over them. I use adsl all day while I work, only switching to satellite for downloads. For everyday surfing the satellite is only slightly faster. I would be devastated if the adsl was turned off. Waiting for Starlink but it isn't currently licensed for my area (non region 74)*

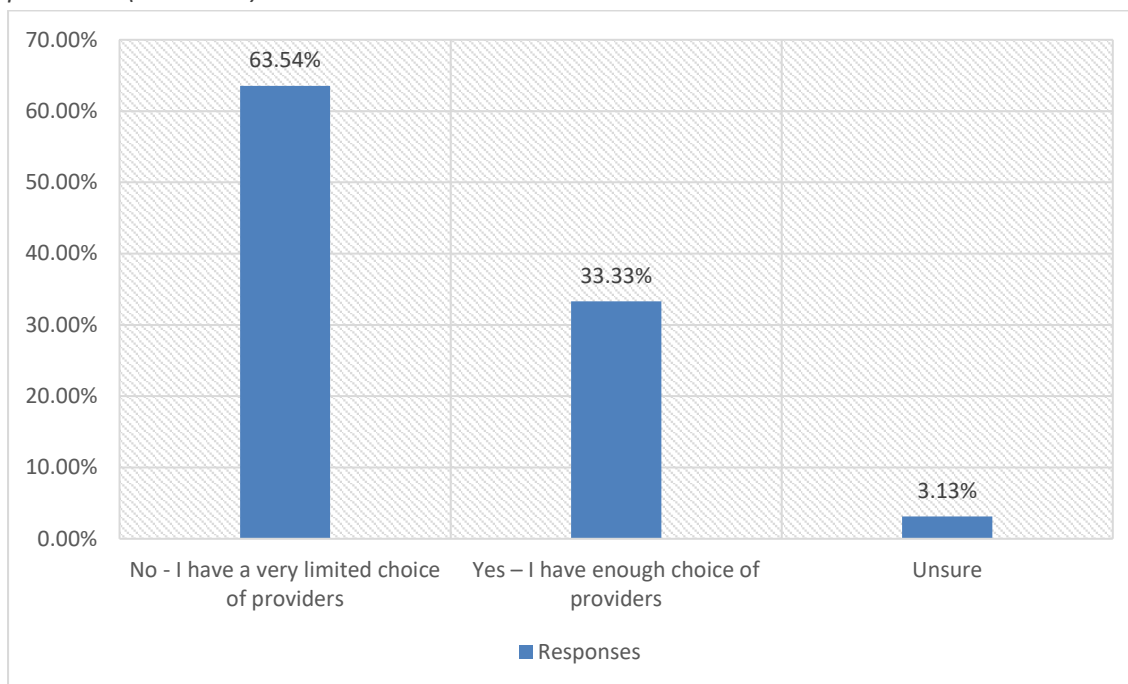
To summarise:

- The majority of respondents do not want to switch from their ADSL service to the NBN (either a fixed wireless or satellite service). The top three reasons being that the respondents considered that the nbn is not reliable, its more expensive than their current service, and it has poor latency.
- For those who are unsure whether they should switch, reasons for this were in relation to cost, quality of service, and preference for another type of connection.
- The key reasons why respondents had switched to NBN but kept their ADSL service is reliability, speed and latency.
- For respondents who intend to switch to the NBN, 25% would still like to keep their ADSL service because of poorer latency, speed, and reliability from their NBN connection.
- These results would indicate that consumers generally do not consider a satellite or fixed wireless connection to be equivalent quality to their current ADSL service due to reliability, speed, latency and cost issues.

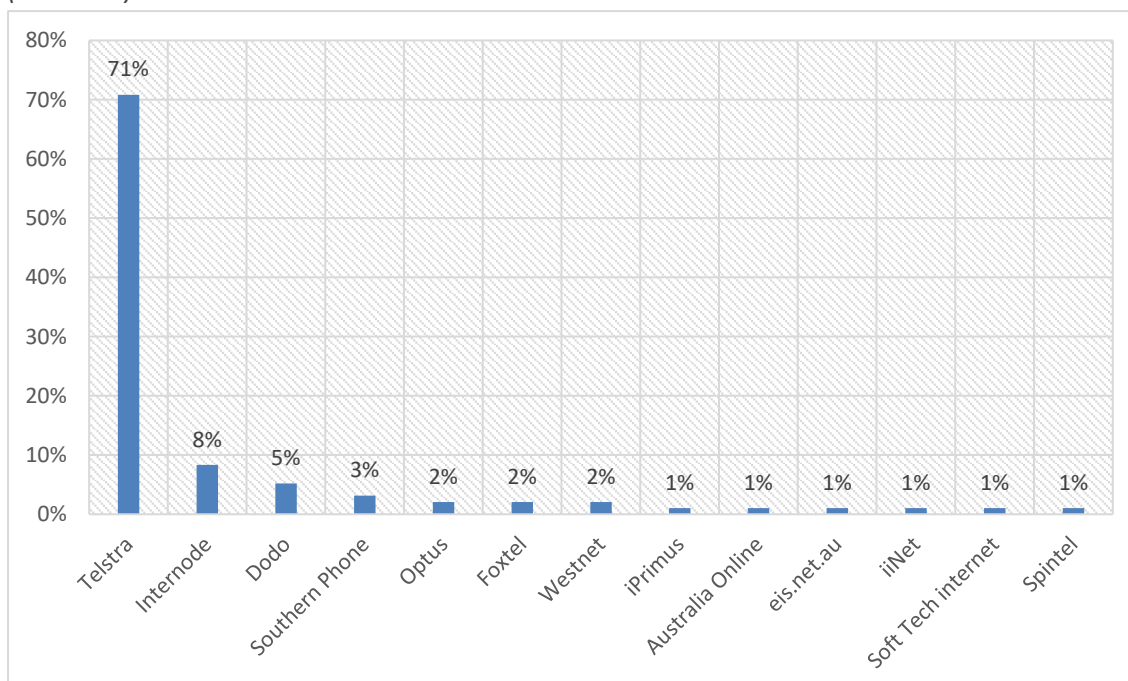
Choice of retailer

The majority of respondents (64%) did not feel that they have enough choice of provider, with 71% of respondents purchasing their ADSL service from Telstra.

Thinking about your ADSL broadband service, do you feel that you have enough choice of internet provider? (Base = 96)



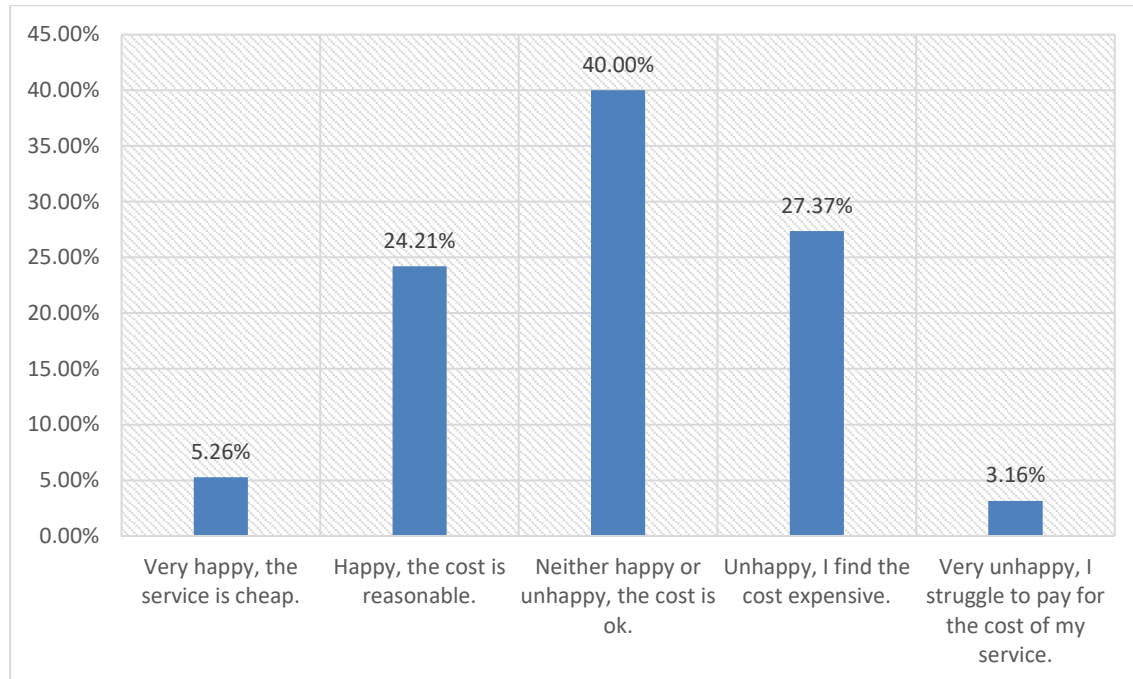
Which retail internet provider are you currently purchasing your ADSL broadband service from? (Base= 96)



Cost of ADSL

29.5% of respondents are happy or very happy with the cost of their ADSL service, 40% are neither happy or unhappy with the cost of the service, whilst 30.5% are unhappy or very unhappy with the cost of the service.

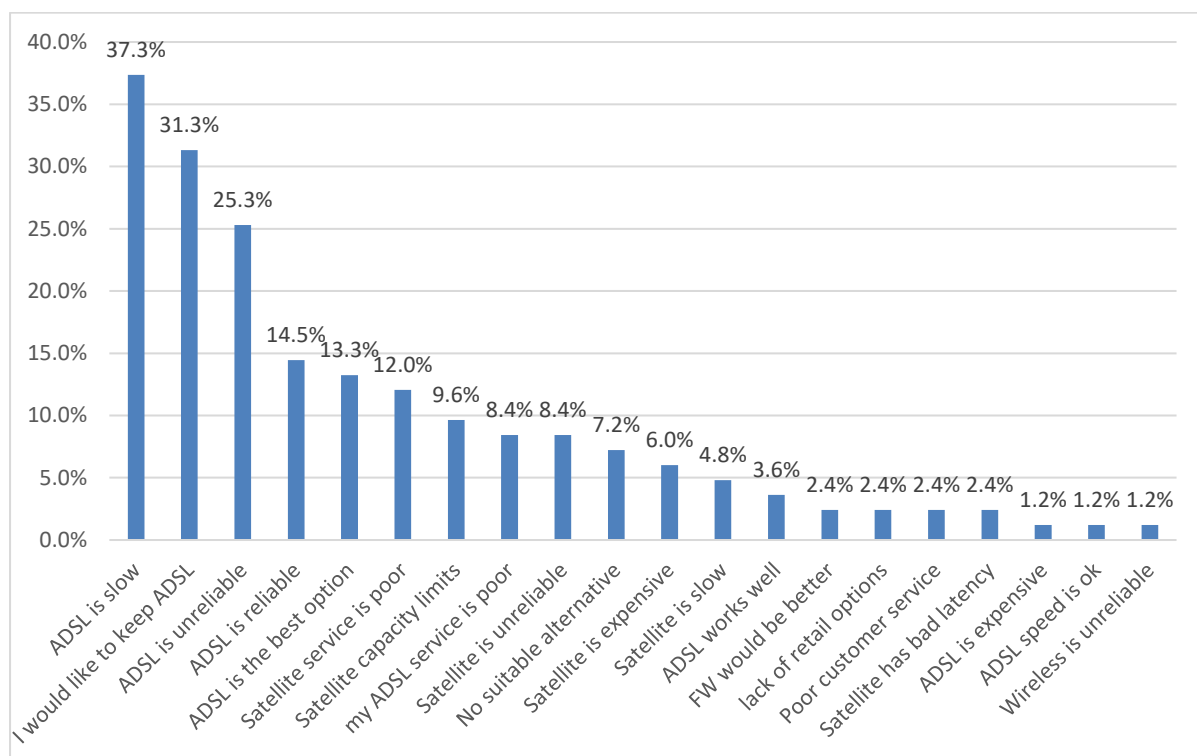
How happy are you with the cost of your ADSL service? (Base = 95)



Further comments

At the end of the survey, respondents were asked whether they had any other comments regarding their ADSL service. Tagging the comments by common theme, the most mentioned themes can be seen below. Despite many respondents (37.3%) mentioning that their ADSL service is slow, and unreliable (25.3%), there was a large proportion (31.3%) that mentioned they want to keep their service.

Do you have any other comments regarding your ADSL service? (Base = 83)



A sample of the comments from each theme is given in the table below:

Comment theme	Sample comments
ADSL is slow	<ul style="list-style-type: none"> <i>I have very poor ADSL. Max speed is about 5 Mbps and it drops to almost nothing in wet weather.</i> <i>As for the actual service it is horrid, constantly drops out or slows down and makes tasks difficult. Over the last 20 years have had many investigations into the service</i> <i>In recent weeks, it has become very slow, so much so that I have trouble sending email using Outlook.</i> <i>It's slow and we get problems with it about 6 times a year</i> <i>Quite slow at 4.5mbps download speed slowing at peak times</i>
I would like to keep ADSL	<ul style="list-style-type: none"> <i>Would like to keep ADSL service. We utilise the landline and do not use or want to use mobile phones here. If power outage or tower outages, we can always make a call out. Needed for business and do not want to loose.</i> <i>It fits my purpose, as the alternative is less than adsl. I want it kept on its satisfactory for our needs</i> <i>Leave it switched on.</i> <i>It's necessary for many householders in the medium term.</i> <i>It needs to be kept as long as the NBN offering remains so poor.</i> <i>If you stop the adsl it will cripple people working in rural communities. Satellite wireless is not a sufficient option and I am incredibly frustrated with the NBN. Grossly planned for rural communities.</i> <i>Please do not take our ADSL away. NBN satellite is rubbish and expensive and capped at size of package. It has too much lag to use Zoom. It doesn't work in bad weather. We have no mobile service here. We need ADSL.</i> <i>Important to hang on to Telstra copper as it's been reliable whereas currently nothing else will work for us.</i> <i>If we loose the ADSL and the NBN satellite connection is unreliable, then we are in a difficult situation for emergency calls and general internet connections to work from home and to function as a family requiring the internet.</i> <i>It is very slow but please do not turn it off because satilite nbn is even less reliable</i> <i>This is a lifesaver for us, we would have to move house if this was taken away</i> <i>Please don't take it away unless it is getting replaced with something quality. We have extremely poor or absent mobile reception so the internet is our lifeline</i> <i>Would like to keep ADSL service until NBN can provide better bandwidth ideally FTTP.</i>
ADSL is unreliable	<ul style="list-style-type: none"> <i>ADSL with Telstra is very unreliable this year. We have had 3 separate occasions where we had no internet, on one such occasion we were 5 weeks with no connection! This makes running a business from home impossible not to mention, the uni student in our household has had to travel to friends' houses to use their internet.</i> <i>Unreliable service internet is constantly down</i> <i>We pay full price for an intermittent service with very slow speeds</i>

- *It is far too slow to make proper use of the Internet. It works with zoom, skype, etc. but gives a poor user experience, slowdowns and drop outs.*

ADSL is reliable

- *ADSL works well and is quite reliable*
- *It's not fast, but it's reliable*
- *It's much slower (Average 9.0 Mbps down and 0.75 Mbps up) than an NBN connection would be and yet costs the same. In its favour it has been rock solid reliable unlike the abysmal signal strength and multiple dropouts experienced on wireless*
- *It's the only reliable service we can get, even though it too is slow*

ADSL is the best option available

- *It fits my purpose, as the alternative is less than adsl. I want it kept on its satisfactory for our needs*
- *It is very slow but satellite would be slower (we tried once before)*
- *Satellite at this time is not reliable or offering a reasonable data package for me to manage my business from home (which is essential for me). ADSL is the better option, though we do need NBN Fibre to the curb.*
- *It's not brilliant, but works most of the time and is our best option currently. We are in a mobile and satellite black spot, so once ADSL is not available, we will have nothing!*

Satellite service is poor

- *NBN Satellite does not work and is not a feasible or acceptable alternative to ADSL. I have tried this through SkyMesh and was not able to work from home with their service and had to switch back to my ADSL connection. I paid for both services since April 2021. The issues were experienced during sunshine, clear sky's as well as during rain and overcast days. I am not the only one who has had this experience as many neighbours and Cedar Creek residents have tried and cancelled this failed service.*

Satellite capacity limits

- *Nbn only did half our street with FTTN, the rest either have old ADSL or satellite. We have old ADSL, we get 1.4mbps and it drops out especially when it rains. We also pay for NBN Satellite as a backup for when the ADSL doesn't work (as we work from home). The satellite is expensive and capped, if we switch to just satellite, we use all our data within a week. We pay close to \$200 a month just to have internet that we can't really use. Homeschool and working from home is very stressful. We are only 90km from Sydney CBD. It's a joke*
- *Please do not take this option away from us. Satellite is not a viable option for our family based on cost and data limits. Please maintain and upgrade this service if you cannot offer us fixed/landline NBN*
- *Slow speeds kill us, but with Satellite data severely limited, the Is no suitable alternative*

my ADSL service is poor

- *I have very poor ADSL. Max speed is about 5 Mbps and it drops to almost nothing in wet weather.*
 - *Absolutely appalling ... there are no words fit to put on this survey to describe adsl service...*
-

- *It is terrible and impacts my ability to work from home and my children's ability to study.*

Satellite is unreliable

- *Satellite at this time is not reliable or offering a reasonable data package for me to manage my business from home (which is essential for me). ADSL is the better option, though we do need NBN Fibre to the curb.*
- *If we loose the ADSL and the NBN satellite connection is unreliable, then we are in a difficult situation for emergency calls and general internet connections to work from home and to function as a family requiring the internet.*
- *It is very slow but please do not turn it off because satellite nbn is even less reliable*

No suitable alternative

- *Please don't take it away unless it is getting replaced with something quality. We have extremely poor or absent mobile reception, so the internet is our lifeline*
- *I rely on my ADSL for internet and telephone. I have no mobile phone coverage, so I use Wi-Fi calling. My ADSL service is slow and flaky, but it is my only realistic option*
- *It is the only option in our black spot. Trees block satellite.*

Satellite is expensive

- *The satellite is expensive and capped, if we switch to just satellite, we use all our data within a week.*
- *We pay \$84 a month for our ADSL. No phone connected to service (use mobiles) also pay \$85 a month for 500gig for mobile access. Adsl is slow Max of 5Mbps down. Fails when it is wet. However satellite latency is useless for the games we play (and expensive!!!)*
- *Please do not take our ADSL away. NBN satellite is rubbish and expensive and capped at size of package. It has too much lag to use Zoom. It doesn't work in bad weather. We have no mobile service here. We need ADSL.*

Satellite is slow

- *It is very slow but satellite would be slower (we tried once before)*
- *NBN has rolled out fibre to the curb for the for 2km of my road but the last 1.3km has been relegated to more expensive, slower, less reliable and capacity capped NBN satellite...*
- *ADSL slows down in peak times, but I have a very high data allowance for a reasonable price. I can use steaming services like Netflix without the annoying buffering that I was getting with satellite broadband.*

ADSL works well

- *Don't have much trouble with it*
- *quite slow during peak times otherwise not to bad*

FW would be better

- *If I had access to FW We would probably not use our PSTN line or ADSL Given our mobile data is not covered by the USG we retain our PSTN and ADSL (although ADSL in not guaranteed under USG) We use out ADSL for TV and as back up if we exceed our 100G mobile data.*
- *Our only nbn option is satellite and thus have a landline we use adsl as a back to our Optus mobile data (100G \$60 pm) the adsl is used mainly for tv to keep our data usage below 100G on Optus mobile We live in the wet*

tropic hog rain and cloud our Optus mobile data never fades in if we had FW we probably would not continue with adsl and land line

lack of retail options

- *Please please please don't let them turn it off!!! And the choice of provider is now awful - I was helping a new neighbour get internet the other day and there seemed to only be 3 providers still taking new customers. Telstra, Mate and Nextel. That's not consumer choice! (She is also not happy with the satellite)*
- *The service is terrible. Speed and connection are not good. Only Telstra as an available provider. We need better coverage here.*

Poor customer service

- *Telstra is difficult to contact when repairs are needed. Overseas have no idea of Australia or the vastness of the areas.*
- *No weekend customer service*

Satellite has bad latency

- *We pay \$84 a month for our ADSL. No phone connected to service (use mobiles) also pay \$85 a month for 500gig for mobile access. Adsl is slow Max of 5Mbps down. Fails when it is wet. However satellite latency is useless for the games we play (and expensive!!!)*
- *Please do not take our ADSL away. NBN satellite is rubbish and expensive and capped at size of package. It has too much lag to use Zoom. It doesn't work in bad weather. We have no mobile service here. We need ADSL.*

ADSL is expensive

- *Because our NBN choice is satellite, ADSL providers are able to charge \$100 a month even though the speed is slower than a cheap ftp plan. Would happily pay twice as much though for a ftp option although good luck getting nbn to do something in the interests of the customer.*

ADSL speed is ok

- *It has been a reliable service for many years despite the weather. I find the speed is ok for home/office use and regularly stream sport and movies.*

Wireless is unreliable

- *It's much slower (Average 9.0 Mbps down and 0.75 Mbps up) than an NBN connection would be and yet costs the same. In its favour it has been rock solid reliable unlike the abysmal signal strength and multiple dropouts experienced on wireless.*