

Submission to the ACCC on the draft paper on NBN Co 2016 Special Access Undertaking variation

Context

The NBNCo is a consequence of regulatory and market failure. Demonstrated by low internet connectivity speeds and high pricing. Historically telecommunications networks worldwide were established by public bodies as a monopoly service. This historical approach delivered benefits as whole communities were able to communicate. Not just populated and viable locations.

The development of a telecommunications network by NBNCo has established monopoly provided infrastructure. Reducing and removing the retail suppliers' revenue. It is not surprising to see retail suppliers oppose NBNCo's extended network definition.

Why Industry Opposes an Extended Telecommunications Network definition

The consequence of not supporting NBNCo's the extension of network definition to include 'any other telecommunications network' is that new technologies will take longer to be provided. Telecommunications infrastructure lifecycles are between 3 and 5 years. Using an SAU amendment approach to including network technologies will result in delays to their provision.

Technology delay results in end-users being worse off. Not through reduced market competition, but because of reduced access to network infrastructure. Without network infrastructure access, no service can be provided to an end user. And no supplier service competition results. Submissions by end-users to the Productivity Commission's inquiry into the universal service obligation (USO), provide examples of service not being provided through a lack of infrastructure.

Conclusion

It is in the long-term interests of end-users that NBNCo can flexibly and rapidly deliver new technologies to maintain and enhance a telecommunications network. By acceding to revenue based concerns from Telstra, Optus and the CCC, on the definition of a telecommunications network, the ACCC's draft recommendation reduces the ability to deliver a community asset, diminishing the long-term interests of end-users.

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