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By email: sean.riordan@accc.gov.au; Market.indicators@accc.gov.au

Dear Sean

Proposed NBN Wholesale Market Indicators Report

Optus supports the publication of the proposed NBN wholesale market indicator report. This will provide useful data for the ACCC in fulfilling its duties under the CCA. It will also provide greater industry transparency on the state of competition in the NBN wholesale market.

In summary,

- Optus agrees with the proposal to publish detailed SIO demand information to be made on a variety of bases to illustrate the scale and development of the NBN wholesale market.
- Optus considers that reporting NBN SIOs by access seeker will provide added transparency on the take-up of NBN services that is currently not available. However, there is currently no justification for the setting of the 5% market share threshold.
- Optus considers that in comparing NBN information with the Telstra CAN data, it will be important to ensure that the two datasets are compared on a consistent basis. This should also compare all copper based services, not simply ULLS.
- Optus considers that both the aggregate contracted CVC and CVC utilisation should be provided. For POI information, the number of access seekers should instead be provided for each of the 121 NBN POIs.

Optus' specific comment on each of the proposed reporting metrics is set out below. Attachment A also sets out each of the proposed templates in an alternate format.

NBN Access SIOS

Optus considers the provision of SIO counts to be made on a variety of bases to illustrate the scale of the NBN wholesale market would be beneficial as an indicator of end-user demand. Importantly, while the proposed reporting template currently only covers the set of initial NBN products, it should be implicit that the reporting categories will be expanded as other NBN technologies, traffic class and speed tiers become commercially available. For example, the speed tiers should ideally be reported in line with the access types (AVC tiers) as set out in the NBN WBA.

For simplicity, all NBN SIO demand should be provided in a single table showing traffic class, speed tiers and access technology (see Table 1).

Optus also proposes that the total NBN SIO counts for end-user demand should also be provided at the individual state/territory levels to complement the reports that NBN Co makes publicly available on its rollout progress (see Table 2). The reports should not aggregate any of the state groupings.

Disclosure of individual RSP market share

The ACCC has also proposed a further disaggregation of the above NBN access SIO metrics by RSPs. It is not clear if, or how, the reporting will deal with services provided through NBN wholesale aggregators. It is unlikely that NBN will have visibility of such arrangements. Any reporting of the data should note this limitation.

To address initial concerns regarding impact on legitimate commercial interests, the ACCC has proposed a 5% market share reporting rule – to safeguard against reporting impacting the commercial interests for NBN access seekers while they gain a presence in the market. However, Optus has reservations regarding the practicality of this exemption to either RSP totals and/or the reporting of splits across technologies or speed tiers within RSP totals. For example, it is currently unclear to what extent how the 5% exemption will be applied to RSP totals.

Optus also considers that there should be separate reporting of individual access seekers that are part of single corporate group where the individual access seekers operates under a separate brand and contributes a significant proportion to the overall corporate group, similar to the treatment of MVNOs in the mobile industry. The trigger for disclosure should be whether an entity has its own separate WBA with NBN Co.

Optus considers that the reporting of NBN SIOs by access seeker will provide added transparency on the take-up of NBN services that is currently not available (see Table 3, Table 4 and Table 5).

Comparison of NBN take-up with legacy services

While there is merit in providing some form of comparable metric to enable comparison with the existing Telstra CAN RKR information, Optus is concerned that the proposed split of Telstra CAN data by metro/regional split is not appropriate. There are distinct differences in the market structure that impedes the direct comparison between the NBN Wholesale Access and the legacy copper access markets – e.g. different categorisation of serving areas (FSAMs vs ULLS Bands); different number of key interconnection points (NBN POIs vs Telstra ESAs), etc.

To provide meaningful comparative data, further consideration must be taken to determine the relevant definitions and accountability of the NBN Fixed Line footprint vs the legacy ULLS footprint into metro and regional splits. It will be important to ensure that where any comparison is made against legacy networks, it is done on a consistent basis. For example, this will require a mapping of NBN regions/FSAMs and Telstra's ULL bands and not the generic metro vs regional split that has

been proposed for the NBN fixed line footprint. Further, the comparison should also include all broadband services on the Telstra CAN, not simply ULLS and LSS.

In this context, the proposed report set out in Table 6 will need further consideration to ensure that the two separate datasets can be compared on a consistent basis.

Network Capacity

For network capacity data, Optus considers that in addition to the total CVC capacity by individual state/territory and by traffic class, an additional layer of information such as number of active POIs in that state/territory should also be provided.

On the issue of preferred reporting of CVC information, Optus considers that both the aggregate contracted CVC and CVC utilisation should be provided (by both state and traffic class) as set out in Table 7. Both metrics serve separate purposes.

First, the contracted CVC information will illustrate the aggregate level of CVC demand by RSPs. It would be expected that as rollout continues and the number of RSPs increase, this metric will also continue to exponentially increase over time. It will also provide a useful tool to benchmark NBN Co's per Mbps CVC charge which is supposed to be linked to demand.

Second, the CVC utilisation will demonstrate the industry average CVC usage in Mbps by RSPs as measured in the defined peak-periods. This will allow RSPs to benchmark their individual performances against the industry average. We are aware that the ACCC already collects this information, and had indicated an intention to publish this type of information (through aggregated 'snapshots' about the development of competition over the NBN) in the future.

POI information

The ACCC currently collects NBN SIO information at an individual POI level from NBN Co on a quarterly basis. Information collected in this RKR is not currently publicly disclosed.

Optus therefore supports the release of quarterly updates of POI data to provide adequate transparency on the distribution of NBN access seeker presence at NBN POIs. However transparency will also need to be provided on the number of active POIs at the individual state/territory level – the discussion paper notes there are currently only 62 POIs in operation.

Optus also recommends the inclusion of NBN POI information be presented on the basis of the total number of access seekers connected to each of the 121 NBN POIs (see Table 8).

Regards,

Andrew Sheridan
Head of Interconnect and Economic Regulations

ATTACHMENT A: Proposed Templates

<u>**NBN Access SIOs**</u>

Optus supports the publication of NBN Access SIOs. For simplicity, this demand information should be provided in a single table across all NBN access technologies to be reported.

Table 1: NBN Access SIOs, national, by traffic class and speed tiers, by technology

Class	FTTP		FTTN		FTTB		Wireless		Satellite	
	Tier	SIO	Tier	SIO	Tier	SIO	Tier	SIO	Tier	SIO
1	0.15				0.15		0.15		0.06	
	0.3				0.3					
	1									
	2									
	5									
	TOTAL		TOTAL		TOTAL		TOTAL		TOTAL	
2	5				5					
	10									
	20									
	30									
	40									
	TOTAL		TOTAL		TOTAL					
4	12/1				12/1		12/1		6/1	
	25/5				25/5		25/5			
	25/10				25/10					
	50/20				50/20					
	100/40				100/40					
	250/100									
	500/200									
	1000/400									
	TOTAL		TOTAL		TOTAL		TOTAL		TOTAL	
	Grand Total		**Grand Total**		**Grand Total**		**Grand Total**		**Grand Total**	

Note that HFC yet to be added. Additional traffic classes and speed tiers to be added as released.

Table 2: NBN Access SIOs, by state, by technology

NBN Services in operation, by state, by technology					
	FTTP	**FTTN**	**FTTB**	**Wireless**	**Satellite**
ACT					
NSW					
NT					
QLD					
SA					
VIC					
WA					
TOTAL					

Note that HFC yet to be added.

Disclosure of individual RSP market share

Optus supports the publication of NBN Access SIOs by access seeker. However reiterates that there is currently no justification for the setting of the 5% market share threshold. In addition, there should be separate reporting of individual access seekers that are part of single corporate group.

Table 3: NBN Access SIOs, by access seeker, national, by technology

NBN Services in operation by Access Seeker, national, by technology													
Access seeker	Fixed Line						Access seeker	Wireless		Access seeker	Satellite		
	FTTP		FTTN		FTTB								
	SIO	%	SIO	%	SIO	%		SIO	%		SIO	%	
1							1			1			
2							2			2			
3							3			3			
4							4			4			
5							5			5			
6							6			6			
..							..			..			
TOTAL							TOTAL			TOTAL			

Note that HFC yet to be added as part of the NBN Fixed Line Access service type.

Table 4: NBN Access SIOs, by access seeker, national, by technology, by speed tier

NBN Fixed Line Access SIOs by Access Seeker, national, by speed tier																	
Access seeker	12/1		25/5		25/10		50/20		400/40		250/100		500/200		1000/400		TOTAL	
	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%
1																		
2																		
3																		
4																		
5																		
6																		
..																		
TOTAL																		

NBN Wireless Access SIOs by Access Seeker, national, by speed tier						
Access seeker	12/1		25/5		TOTAL	
	SIO	%	SIO	%	SIO	%
1						
2						
3						
4						
5						
6						
..						
TOTAL						

Table 5: NBN Access SIOs, by access seeker, by state, by technology

NBN Fixed Line Access SIOs by Access Seeker, by state																	
Access seeker	ACT		NSW		NT		QLD		SA		TAS		VIC		WA		TOTAL	
	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%
1																		
2																		
3																		
4																		
5																		
6																		
..																		
TOTAL																		

NBN Wireless Access SIOs by Access Seeker, by state																	
Access seeker	ACT		NSW		NT		QLD		SA		TAS		VIC		WA		TOTAL	
	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%	SIO	%
1																		
2																		
3																		
4																		
5																		
6																		
..																		
TOTAL																		

Comparison of NBN take-up with legacy services

Optus submits that to provide meaningful comparative data, further consideration must be taken to determine the relevant definitions and accountability of the NBN Fixed Line footprint vs the legacy copper-based footprint into metro and regional splits.

Table 6: NBN Fixed Line and legacy Copper-based Access SIOs, by access seeker, by region

NBN Fixed Line SIOs by Access Seeker, by region						Copper-based SIOs by Access Seeker, by region					
Access seeker	Metro		Regional		TOTAL		Access seeker	Metro		Regional		TOTAL	
	SIO	%	SIO	%	SIO	%		SIO	%	SIO	%	SIO	%
1							1						
2							2						
3							3						
4							4						
5							5						
6							6						
Other							Other						
TOTAL							TOTAL						

Network Capacity

Optus considers that both the aggregate contracted CVC and CVC utilisation capacity information should be provided.

Table 7: NBN CVC capacity, by state, by traffic class

NBN aggregate CVC capacity, by state, by class				NBN utilisation CVC capacity, by state, by class			
Class	1	2	4	Class	1	2	4
State	SIO	SIO	SIO	State	SIO	SIO	SIO
ACT				ACT			
NSW				NSW			
NT				NT			
SA				SA			
TAS				TAS			
VIC				VIC			
WA				WA			
NATIONAL				NATIONAL			

POI Information

Optus recommends that the report provides information on the number of access seekers located at each of the listed 121 NBN POIs, as well as the 5 interim NBN POIs. This would also provide more meaningful information on the spread of access seekers across the national NBN network.

Table 8: NBN Points of Interconnect, by number of Access Seekers located at each NBN POI

NBN Points of Interconnect		
NBN POI NAME	State	# Access seeker located at POI
POI #1		
#2		
#3		
...		
...		
POI #121		