14 October 2016

Hive Empire Pty. Ltd. trading as finder.com.au
ABN: 18 118 785 121
ACL: 385509
Level 10/99 York St Sydney NSW 2000

finder.com.au is Australia's most-visited comparison site, with more than 2 million visitors a month. We welcome the opportunity to offer input to the ACCC's Communications Market Study. finder.com.au introduced Australia's most comprehensive mobile phone and mobile plan comparison tool in October 2015, and launched a broadband comparison tool and NBN rollout tracker in February 2016. We maintain a comprehensive database of mobile and broadband plans available in Australia, giving us insight into both consumer demand and the issues affecting providers in these spaces.

We have briefly addressed specific questions raised in the Issues Paper below, and would be happy to supply further details and insight around any of these points or related matters.

1. How are consumer preferences changing and how is this impacting the communications sector?

For mobile plans, the overwhelming interest is in the amount of data available with services; this is now the major point of comparison. Amongst the carriers, Optus and Vodafone both offer unlimited calls and texts to Australian numbers with all their plans, and Telstra also does this with the majority of its contract and month-to-month plans. MVNOs are increasingly following a similar model.

This means that metrics such as the cost of a 2-minute call, which are currently a major element of the Critical Information Summary (CIS) which all carriers must make available, are actually of little relevance to most consumers. This shift to unlimited plans is also accelerating the decline of landline voice services, since it's generally cheaper now for mobile users to call each other than for either party to be on a landline connection.

There has also been a shift to 28-day renewal cycles for mobile plans, rather than 30 days. While this might appear to make services more expensive, increases in data allowances and the trend towards unlimited calls and texts for Australia mean that in fact consumers are not usually worse off.

In the broadband market, the rapid growth in popularity of Netflix and other streaming services means that data demands are much higher. A high proportion of broadband plans on offer in the market now offer unlimited data, and the shift to the NBN is likely to see that become a near-universal trend.

4. What information is or would be beneficial for consumers to help them make informed decisions about which communication services and products would best suit their needs?

While data allowances on mobile plans are generally increasing, the way they're described doesn't always make the real cost clear to consumers. The majority of contract mobile plans will automatically add an extra 1GB of data, at a cost of $10, if a consumer exceeds their monthly allowance. While this means that consumers won't see their bills increase rapidly because of higher per-megabyte charges, if a data allowance runs out on day 27 of a 28-day cycle, most of that 1GB is likely to be unused and the effective cost is much higher.

5. Are consumers currently able to accurately compare bundle offers? Please provide information about how this comparison currently occurs, and any changes you consider are needed.

The finder.com.au broadband comparison tool identifies bundled plans and lets them be compared with unbundled options. Without the use of such technologies, comparison of bundle offers remains difficult. Pricing is frequently described in terms like "$10 off your home phone if you also have your mobile with us", but the total cost isn't made clear up-front. Bundle deals also often require the consumer to contact the provider by phone, and nearly always require long-term contracts, making it harder to take advantage of competition driving down prices during that period.

37. How would you describe the current state of competition, and what are the key factors affecting competition and consumer choice, for mobile services nationally and for the provision of non-handset mobile broadband services?

As of October 2016, there are 387 plans from 36 distinct carriers listed in finder.com.au's mobile plans database, which underscores that the market is highly competitive. As mentioned previously, data inclusions have become a crucial factor in consumer choice.

The majority of these plans are now offered on 4G services, which makes them more appealing when used for mobile broadband. While non-handset services remain a large market, the fact that most Australian providers will allow mobile phones to be "tethered" and used as a connection for other devices means that many people are happy to use this option rather than a dedicated mobile broadband device. (In overseas markets, tethering is often blocked at provider level.)

39. Are there obstacles to MVNOs providing competitive mobile services and non-handset mobile broadband services? What benefits do MVNOs provide to consumers in supplying these services?

The finder.com.au database shows that there are at least 33 MVNOs operating in Australia, and they have a very important competitive role. Plans from MVNOs are generally cheaper than their carrier counterparts, with lower prices and richer data inclusions, and the majority of them do not require long-term contracts. The majority now have access at least part of the 4G networks run by the three main carriers, which had not been the case two years ago.

Thanks again for the opportunity to contribute.

Angus Kidman
Editor-in-chief
finder.com.au
angus@finder.com.au