



4 June 2020

Director
Telecommunications Competition
Department of Infrastructure, Transport, Regional Development and
Communications
GPO Box 594
Canberra ACT 2601

Dear Sir,

Re: Consultation on Telstra request for extensions to Ministerial exemptions for its
South Brisbane and Velocity networks

I am writing to express my objection and opposition to the request made by Telstra for an extension to the current exemptions from the default structural separation requirements for its South Brisbane fibre network.

My contact details are as follows:

Name: [REDACTED]
Email: [REDACTED]
Phone: [REDACTED]
Address: [REDACTED]
[REDACTED]

I am a resident in the area that is covered by Telstra's South Brisbane fibre network. I have lived here since 1976 and have had a Telstra home phone service continuously throughout that time. I have essentially been held hostage as regards telecommunications and internet services by Telstra ever since their South Brisbane fibre network was established in 2011. The telecommunications services available for home connection at my address are tantamount to a Telstra monopoly and Telstra exploits its advantage by requiring anyone who wishes to have an internet connection to also have a Telstra home phone service. These days, anywhere else in Australia people are free to dispense with landline phone connections and still have an internet service and use VOIP or mobile phones for telephony. After all, on a fibre network Telstra's landline is basically a VOIP service and it fails if there is a power outage, unlike a traditional Telstra landline.

I see no basis for Telstra not to be required to open access to its South Brisbane fibre network to competitive internet service providers, particularly given the circumstances under which this area came to be serviced by a Telstra fibre network. As a long-term resident I am aware that, when the Queensland Government committed to the construction of a new children's hospital adjacent to the Mater

Hospital at South Brisbane, the extremely limited site area available for that hospital was augmented by the acquisition of the adjoining South Brisbane Telephone Exchange. Telstra received not just payment for the land, but also compensation for the cost of replacing the telephone infrastructure that was associated with the exchange. The Queensland Government's compensation to Telstra paid for the building of the fibre network that replaced the copper system of the old South Brisbane Telephone Exchange. I have seen no evidence that Telstra has subsequently undertaken any significant additional investment to upgrade the fibre network and Telstra restricts the speeds that are provided to its customers to levels well below those available on other fibre networks. I have been told by Telstra customer service staff that the speed limitations are an inherent result of the design of the system. But for the advent of the Queensland Children's Hospital and the deal Telstra achieved when its South Brisbane Telephone Exchange was acquired, Telstra's South Brisbane fibre network would not exist and the exemptions for which Telstra is seeking this extension also would not exist. South Brisbane would instead be serviced by NBN. For reasons of its own, NBN has not chosen to provide any services in competition with the Telstra South Brisbane fibre network and, reportedly, its negotiations to acquire the Telstra fibre network have broken down.

All subscribers in the area serviced by this network have been unfairly limited in their choice of service providers for telephony and internet services and have paid over the odds for the inferior services that Telstra has provided. This is a consequence of decisions made by the Queensland and Australian Governments, to the disadvantage of residents in the affected area, for which they have been neither compensated or even had the disadvantage acknowledged.

For internet services, Telstra offers a download speed of 30Mbps and upload speed of 1Mbps, with both nominated speeds subject to potential degradation during peak hours and no option for upgrading the speed. This is inferior to the service available on NBN fibre and, according to various researchers, comes at a premium cost compared with services offered in a more competitive environment in locations serviced by NBN fibre to the premises. For example, the Australian Communications Consumer Action Network has calculated that consumers in the Telstra Velocity footprint have paid an extra \$900 to \$1200 for services over five years compared with consumers in areas serviced by NBN.

This structural disadvantage to consumers is exacerbated by the patchy customer support that Telstra provides for its Velocity subscribers. As a niche area of Telstra operation, the Velocity help line is restricted in its operation to business hours, with no service on weekends. The following link is to a Telstra Crowdsupport thread in which various subscribers complain about a recent fault on the South Brisbane fibre network that had the effect of drastically reducing speeds (<https://crowdsupport.telstra.com.au/t5/home-broadband/velocity-extremely-slow/m-p/879254#M94379>). This, of course, occurred on a Sunday when no Telstra Velocity support was available. Telstra's online tools claimed that there was no fault. Manifestly their tools were incorrect. The fault persisted for over 24 hours. On the Monday, I again rang and waited in a queue to speak to a real human for over an hour, only to have my call terminated without ever speaking to a living being. The fault was fixed later on Monday morning, without any acknowledgement by Telstra of its cause or impact on customers, nor any indication of an inclination to provide any ameliorating compensation.

I was adversely affected by the fault and wasted hours checking my own equipment on the basis that Telstra's tools were denying any fault in their systems and the inability to speak to anyone on the Telstra Velocity help line, it being Sunday.

As another aggravation, I requested of Telstra the rectification of an issue with my internet service in February this year. After weeks of to-ing and fro-ing, Telstra accepted that there was an issue that they would rectify at no cost to me. It remains unrectified and I periodically receive messages asking if the rectification still needs to be done or if the issue has been resolved. Inexplicably to me, seemingly Telstra's failure thus far to undertake the rectification is attributable to Covid-19.

The sooner Telstra is no longer insulated from competitive pressure the better off customers in its South Brisbane fibre network area will be and I urge you to reject Telstra's request for an extension of the current exemptions.

I am not familiar with the circumstances of other areas for which Telstra has also requested extension of its existing exemptions, but I would anticipate they also experience similar premium pricing for inferior services and would extend my objection to all areas for which Telstra has sought extension of its existing exemptions. Telstra's request, if accepted, would extend an unwarranted monopoly and perpetuate the disadvantage to consumers who are subjected to premium pricing for inferior services as a consequence.

Yours faithfully

