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Victoria
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I write to outline my objections to Telstra being granted a variation to, continuation of, or extension to the Telecommunications (Network Exemption—Telstra South Brisbane Network) Instrument 2012 (Consolidation as at 31 May 2018) and Application for variation of the Telecommunications (Network Exemption—Telstra Specified Velocity Networks) Instrument 2012 on the grounds of detriments to the community.

The current arrangements have led to:

- Limited competition
- Excessive pricing
- Artificially limited speed and services

Telstra's Velocity FTTP network is an effective monopoly

Residents of Saltwater Coast Estate [item 28 in 'Schedule 1—Specified Velocity Networks', *Telecommunications (Network Exemption Specified Velocity Networks) Instrument 2012*] have no alternative to Telstra's Velocity FTTP network. Access to the NBN is denied through the Government's current 'adequately served' policy and the exemptions listed in the Telecommunications Instrument 2012. To use another provider is to pay an additional \$30–\$40 per month above the rates charged by Telstra. The use of mobile data networks is not viable with all key mobile infrastructure providers [Telstra, Vodafone, and Optus] providing limited and poor coverage [with constant dropouts and poor quality of voice calls and little to no data coverage (regardless of provider)].

If NBN retail providers could deliver services over 'a layer 2 bitstream service', then it would expand choice for consumers and reduce internet prices.

Telstra's Velocity FTTP network is excessively priced

Retailers [such as Aussie Broadband] utilising the NBN infrastructure are beginning to offer 1000/50 Mbps residential services with unlimited data for \$149 per month over FTTP. Meanwhile, Telstra's Velocity FTTP network has, by its own admission, "a maximum speed of 30/1 Mbps which, while a proximity to, does not satisfy the superfast carriage service characteristic of 25/5 Mbps" [p. 5 of Telstra's request for extension]. The current price for Telstra Velocity's 30/1 Mbps is \$90 per month. In comparison, 25/5 Mbps plans on NBN are \$49.90 to \$59.90 per month with unlimited data.

The Australian Communications Consumer Alliance Network's (ACCAN) analysis of Telstra's South Brisbane fibre footprint "found over five years people had paid an extra \$900 to \$1,200 for internet, and many of those were likely vulnerable consumers, with 1,065 age

pensioners, 621 disability support pensioners, and 746 low-income families on family tax benefit A” [The Guardian, 2 June 2020].

To extend the current arrangements is to ignore the effect of Telstra's current policies on vulnerable consumers.

Telstra’s Velocity FTTP network is limited in speed and services

By Telstra’s own admission its Velocity FTTP network is “...not a layer 2 bitstream service as required by Part 7 of the Act. The FAB service emulates some characteristics of layer 2 bitstream services, although is not equivalent to NBN Co’s layer 2 bitstream service offerings over FTTP. In addition, the main FAB service offering has a maximum speed of 30/1 Mbps...” [p. 5 of Telstra’s request for extension]. This service is wholly inadequate for today’s digital requirements and risks further degradation of service with addition housing opening in the Saltwater Coast Estate and Telstra’s refusal to provided or upgrade to layer 2 bitstream services.

The Government should exercise its role to protect consumers in Telstra Velocity FTTP estates from Telstra abusing its market power through inadequate incentives to act competitively.

- For example, a lack of NBN equivalent speeds prevents customers from accessing alternate services to Foxtel through restricted upload speeds [to use a streaming service is to exhaust the upload speed], this forces customers to access Foxtel [part owned by Telstra] through Telstra's Velocity FTTP ‘cable’ network [minimum \$49 per month through ‘Foxtel Plus’] rather than through recently introduced cheaper alternatives such as Foxtel’s ‘Binge’ [minimum \$10 per month] with equivalent content.
- Telstra’s Velocity FTTP network speed of 30/1 Mbps is wholly inadequate for current and future work at home arrangements being incapable of sustaining live video conferencing without severe degradation of quality of dropout. This has the potential to greatly affect people’s livelihoods for no other reason than being residents of this community. The NBN network, through retailers, offers 40 Mbps upload speed for an equivalent price.

Telstra has had more than adequate time to negotiate between itself and the NBN Co. If Telstra has made a poor business decision, with respect to its choice of FTTP technology, then that cost should be borne by Telstra and not the residents of Telstra’s Velocity FTTP estates.

Yours sincerely,

