

Director  
Telecommunications Competition  
Department of Infrastructure, Transport, Regional Development and Communications  
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cc: The Hon Paul Fletcher MP  
Minister for Communications, Cyber Safety and the Arts  
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Dear Minister Fletcher, and Director, Telecommunications Competition

I understand the Department of Infrastructure, Transport, Regional Development and Communications (the Department) is seeking views on a request from Telstra for extensions to Ministerial exemptions for its South Brisbane and 'Velocity' fibre networks before 5 June 2020.

I understand that without these exemptions, Telstra would be required by Parts 7 and 8 of the *Telecommunications Act 1997* (the Act) to supply wholesale layer 2 bitstream services on a wholesale-only basis over these networks.

Under the Act, the Minister for Communications, Cyber Safety and the Arts can exempt networks, lines and network owners from the Parts 7 and 8 requirements. I understand the exemptions can be conditional or unconditional. I understand the exemptions were first granted on January 9 2012 and, without extension, will expire on 1 July 2020.

I request the Minister and the Department to consider a judgment that no extension be granted to Telstra, to supply wholesale layer 2 bitstream services on a wholesale-only basis over the network in Telstra's 'Velocity' South Brisbane area (which affects the Brisbane CBD, Mater Hospital and surrounds), or to any other areas critical to the Australian economy. I request the Minister and the Department to consider a judgment that this decision should be made unconditionally.

Fair competition and a 'fair go' is a hallmark of Australia. Telstra is a shareholder-owned company which should not receive Ministerial exemption from fair trade practice to sustain its monopoly holding on access to the provision of data services for the Brisbane CBD and surrounds. I expect an Australian Government Minister might recognise this, while taking other considerations into account. However, this has been the current state of affairs since 2012.

At a time when Australia seeks to rebuild its economy and social structures in the wake of the Covid19 pandemic, any action to uphold a monopoly on such a crucial service provision is counterproductive.

In its [20 May 2020 submission to the Minister](#), Telstra applicant Jane van Beelen claims "Telstra is continuing to explore a number of options (including structural alternatives) for the operation of the FTTP Networks" and that, consequently, "Telstra will not be in a position to finalise any plans before [1 July 2020]."

It is difficult to accept Telstra's ambit claim that, in a six billion dollar industry, across the 3055 days from the initial exemption until its 20 May application, Telstra has been short of time or resources to negotiate an agreement for wholesale competition for service provision to a capital city. Absence of competition means that quality internet service providers are excluded from the service area, including, for example, iinet which offers a FTTH service from \$59.90 per month – a 25% discount to the monopoly Telstra service.

Telstra's service was recently ranked 5<sup>th</sup> in download speed and 7<sup>th</sup> in upload speed during 'busy hours' in the [ACCC Measuring Broadband Australia program quarterly report to February 2020](#), behind other major ISP providers that could provide fair competition in the service area.

The ACCC [advises consumers to shop around](#). Where? The Telecommunications Industry Ombudsman [can't take complaints on services that aren't provided](#) by ISPs shut out from a competitive market.

The Australian Communications Consumer Action Network (ACCAN) 25 February 2019 [report](#) identified absence of competition in the Velocity network and the perverse outcomes that ensue, including:

- In the past five years, consumers in the Telstra Velocity footprint have paid an extra \$900 to \$1200 for services.
- We are concerned at the impact on vulnerable consumers in the area. Our analysis shows there are 1,065 age pensioners; 621 Disability Support pensioners and 746 low income families on Family Tax Benefit A, many of whom use Velocity services at significant mark-up.

The ACCAN report underwrites my advice to the Minister and the Department, that there is no cheaper option available for customers – including businesses and lower income groups. Instead, in the absence of fair competition, Telstra Velocity customers in the Brisbane CBD area pay a premium for a poorly ranked service.

I trust the Minister and the Department will seriously consider the findings from a community consultation provide an effective counterpoint to Telstra's ongoing complaint that it is unprepared for competition. If a little over 436 consecutive weeks has not been a sufficient allowance for Telstra's preparations, a conscionable decision cannot further pander to extending monopoly rights to such an incapable organisation.

Respectfully submitted for your consideration