

To The Honourable Minister;

I am writing to you as citizen that is currently living in an area that is serviced by a Telstra Velocity smart community (Butler WA, 6036), wishing to outline my concerns and objections to Telstra's submission to extend their exemptions from parts 7 and 8 of the *Telecommunications Act 1997* as per:

<https://www.communications.gov.au/have-your-say/consultation-telstra-request-extensions-ministerial-exemptions-its-south-brisbane-and-velocity>

Lack of competition:

The exemptions Telstra has from the *Telecommunications Act 1997* Parts 7 and 8 means it does not have to operate a layer 2 bitstream service on a wholesale-only basis. Instead, Telstra has a weird PSTN emulation type setup on its Velocity networks, meaning unlike the NBN providers, they can't offer additional services like IPTV over the network. It also means that it is more work for providers to integrate into their systems etc., so the end result is very little competition on the Velocity networks. Currently I only have Telstra and Exetel as possible providers in my area, with Exetel being pricier than Telstra. There is no competition on the network at all and no longer a "number" of RSP offering services in my Telstra Velocity area as per Section 3.2 within the "*Supplementary update of Telstra request for variation to the Telecommunications (Network Exemption–Telstra South Brisbane Network) Instrument 2012 and the Telecommunications (Network Exemption–Telstra Specified Velocity Networks) Instrument 2012*"

If Telstra continues to get this exemption, we can expect to see the same thing as the past ~8 years since it started: no changes or upgrades to the network as Telstra continues to have no incentive to improve speeds or pricing. Meanwhile, the NBN has no commercial or political will to overbuild or acquire the network. In all my dealings with the NBN they have made it clear that they have no forward plans to deal with this issue.

Lack of viable upload speeds:

Currently the only plan available to me on Telstra Velocity is their base 30/1.5mbps plan (They currently do not provide the option to upgrade to a 100/5mbps plan), and with an upload speed of 1.5mbps, my connection would currently be ranked 200th when ranking countries via average upload speed (Reference: <https://testmy.net/rank/countrycode.up/2/100>). By comparison, Australia has a ranking of 59th in the world for average upload speed, as the standard NBN plan has an upload speed of 5mbps, with the maximum NBN plan being 100/40.

Lack of competitive pricing:

ACCAN have done a study into this issue, and their findings have been that Telstra Velocity customers pay additional costs compared to similar NBN services, while receiving slower upload speeds. It was found on average that in the past five years, consumers in the Telstra Velocity footprint have paid an extra \$900 to \$1200 for services.

<https://accan.org.au/our-work/1575-telstra-s-south-brisbane-velocity-network-time-for-change>

Therefore as a citizen living in this catchment zone, I have no access to better Internet service and upload speeds, meaning it is impossible for me to work from home in a practical manner. My current employment is as an IT Manage for a construction company, and with poor

upload speeds I am unable to do any major works from home. This caused massive inconvenience during the recent periods with many citizens being required to work from home due to the COVID-19 restrictions, which only further highlighted the issue of poor speeds.

Government's current stance:

The Government's position in 2018 on the matter was this:

The Government is disappointed by continued weak competition in South Brisbane and comparatively poor outcomes for end-users to those in NBN-serviced areas. Maintenance of the status quo is not a long-term viable option. The Government continues to view the exemptions as temporary. Over the long-term, the South Brisbane network, if owned and operated by a carrier other than NBN Co, should be operated in compliance with Part 8 of the Act.

The Government would prefer to see NBN, or NBN-equivalent, services delivered to South Brisbane and a marked improvement in competition and subsequent end-user outcomes.

If services are not able to be provided by Telstra in South Brisbane in compliance with the Act, or Telstra is unable to sell the network to a provider that can, the Government would expect NBN Co to overbuild or acquire existing networks. Considering protracted unsuccessful negotiations between NBN Co and Telstra for the sale of the South Brisbane Network to NBN Co, overbuild in the area is a real possibility.

Source: <https://www.communications.gov.au/policy/policy-listing/telecommunications-act-parts-7-and-8-requirements-and-exemptions>

https://www.communications.gov.au/file/38051/download?token=seeEdZ_V (PDF)

So the Government's own response is that it is already disappointed by weak competition and this was never a longer term solution. If 8 years is not long term, then I'm not sure what time frame is.

Lack of alternative solutions:

As far as alternative solutions, the only other option available to me is mobile broadband but unfortunately that is now a viable option in my area as I'm barely able to get stable 4G service (normally reverts to 3G) within my residence. If it was a viable alternative, trust me, I would use it!

Meanwhile, people who live within 2 km of my residence are able to access 100/40 plans via NBN for the same price that I pay for my 30/1.5 plan.

And now this from Andy Penn, CEO of Telstra:

That would likely include codifying upgrade paths for the NBN access technologies. These have been hotly debated over the years, though there is no real roadmap for what the NBN will look like once it moves from 'build' to 'operate'.

"What is the technology upgrade path for the NBN now the great milestone of its rollout is within grasp?" Penn said.

Source: <https://www.itnews.com.au/news/telstra-ceo-wants-nbn-upgrade-paths-reflected-in-govt-policy-548506>

So reading this Andy Pen is demanding a long term plan for upgrade paths for NBN, while Telstra have had over 8 years to plan an upgrade path for their own Velocity network, and currently there has been zero action on this?

Summary:

In summary, I hope the above helps to try and show that as a citizen who is living in an area serviced by and is currently a customer of Telstra Velocity, this submission from Telstra for another extension to be exempt from Parts 7 and 8 of the *Telecommunications Act 1997* is a concerning development. Granted the extension will mean that the 1000's of citizens that live in the affected areas will continue to not receive an internet service that is adequately served, while leaving us behind the rest of the country (and world) in technology.

I look forward to your response and I'm more than happy to discuss any of the above points with the relevant members of office.

Regards,

Damian Lewis