

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: ACCC

Question: BET 20

Topic: FTTN/B product consultation paper from NBN Co

Reference: Hansard page 38, 4 June 2014

Senator: Conroy

Question:

20. Senator CONROY: So you will have seen the recent FTTN/B product consultation paper from NBN Co—I am not sure if you personally have.

Mr Sims: The ACCC has, but I have not.

Senator CONROY: I am sure Mr Cosgrove is poring over this as we speak.

Mr Sims: He has it under his pillow, I am sure.

Senator CONROY: In this paper, NBN Co states that it proposes to retain the existing fibre AVC tiers on FTTN, with the exception that speed tiers above 25/5 will be 'up to' speed tiers. The paper states:

Selecting the correct speed tier will be the responsibility of the end user and the provider. For example, NBN Co does not intend to prevent end users and/or providers from ordering the up to 100 Mbps speed tier for a service that would typically experience speeds of less than 50 Mbps.

This is NBN Co, in writing, saying, 'We don't mind if you defraud Australian consumers.'

Mr Sims: As I say, I have not looked at that, but we have warned the sector as a whole with this issue that we will be watching speed claims, because it is going to be more fraught for consumers.

Senator CONROY: But this is the NBN Co itself stating that it does not mind—

Mr Sims: I have not seen the paper.

Senator CONROY: selling a service of up to 100 megs when it knows that the typical experience is of speeds less than 50 megs. That is just fraud.

Mr Sims: I will take it on notice. Under our terms it is proceeding.

Senator CONROY: It is in black and white. This is misleading, isn't it?

Answer:

20. It is the responsibility of retail service providers to ensure that advertised data transfer rates are not misleading or deceptive. In an FTTN environment, the ACCC would expect that RSPs use any network testing service from NBN Co and consult the relevant service standards to understand the capability of any FTTN access product NBN Co supplies.