

27 February 2020

Eve Osiowy
Manager
Numbers Section
Australian Communications and Media Authority

By email: numbering@acma.gov.au

Dear Ms Osiowy,

**Review of the Telecommunications (Provision of Pre-Selection) Determination 2015
(the Determination)**

We refer to the ACMA's letter of 20 February 2020 inviting Vocus to provide a submission on whether the ACMA should vary or revoke the Determination.

Vocus welcomes the opportunity to respond to the ACMA's review of the Determination.

Is the Pre-Selection Determination still fit for purpose?

Vocus submits that the Determination has outlived its usefulness. Pre-selection allows consumers with a standard fixed line to choose one provider for their line rental and local phone calls and another provider for long-distance calls, international calls and calls to mobile phones. The Determination amended Part 17 of the Telecommunications Act to limit pre-selection obligations to services delivered over the legacy copper network.

The Determination is no longer relevant as a competition measure given the far more competitive market than the early 1990s; changes in industry practice, the popularity of bundling, the ease which consumers can now switch providers and the migration of voice services to the NBN.

What is the current and likely future demand for pre-selection from end-users?

Vocus submits that there is likely to be negligible demand for pre-selection services in the future. Pre-selection has not been promoted by providers for at least a decade and is largely forgotten as a service by consumers. We highlight that nearly six years ago, the Department of Communications, highlighted that "it is estimated that less than 1 per cent of STS customers now use pre-selection and the number continues to decline."¹

Even the Department website continues to highlight that "pre-selection isn't as popular as it once was because more people are bundling line rental, calls and other services. As a result, most new networks, including the National Broadband Network, won't have to offer pre-selection."²

¹ Department of Communications Consultation paper – Proposed measures for the Telecommunications Deregulation Bill No 1 2014, <https://www.communications.gov.au/have-your-say/proposed-telecommunications-deregulation-bill-no1-2014>

² Department of Communications website <https://www.communications.gov.au/what-we-do/phone/phone-services/phone-service-pre-selection>

Is the pre-selection Determination still required to support the competitive delivery of long distance, international and fixed to mobile calls?

Vocus submits that the Determination is no longer required to support the competitive delivery of long distance, international and fixed to mobile calls. When pre-selection was first introduced in the early 1990s, it allowed consumers access to a range of service providers other than Telstra. In this more competitive environment, it no longer retains any meaningful importance as a competition measure.

Should the ACMA vary, revoke, or leave the Determination in place at this time and why?

Vocus submits that the ACMA should revoke the Determination as it is a measure that has outlived its usefulness.

As the ACMA will be aware, in July 2019 the Prime Minister tasked the Hon. Ben Morton MP with revitalising the Government's regulatory reform and deregulation agenda. In recent years, Ministers for Communications, including the Hon. Paul Fletcher, have sought to remove unnecessary regulation given the telecommunications sector is among the most heavily regulated industries in Australia. This revitalisation of the deregulatory agenda provides a platform to ensure competition measures remain relevant in the contemporary environment.

Vocus submits that the likely impact of revocation on consumers would be neutral. Carriers and carriage services providers may still choose to provide pre-selection. In this context, revocation should occur now rather than after transition to the NBN is anticipated to be complete (which is expected to occur by December 2021).

If you have any questions about Vocus' views on the Determination, please contact me or John Sexton.

Yours sincerely



Leanne O'Donnell
GM - Regulatory Affairs