

## **Draft Telecommunications (Numbering Charges) (Allocation Charge) Amendment Determination 2022 (no 1) -consultation paper.**

### **Background**

Symbio is a fully interconnected carriage service provider in Australia and as such is a significant provider of voice services. Symbio, therefore, has a strong interest in telecommunications numbering.

### **Proposed Fee Increase**

The ACMA proposes to increase the transaction fee from \$35 to \$57 from 1 September 2022. This is based on a forecast number of transactions of 19,086 during this period with over 80% of these being FLRN transactions. Hence, FLRN transactions make up by far the bulk of the cost recovery for numbering charges.

### **FLRN Services**

New activations for FLRN services have been declining for a number of years as outlined in the ACMA paper. This is due to the maturity of the service as well as the increasing availability of alternative services.

### **Impact of Proposed Fee Increase**

Increasing the fee for FLRN numbers will invariably lead to customers considering other options and promote a downward spiral in FLRN activations. Hence, we consider that even the ACMA's forecast decline of new activations could well be exceeded. The assumption that carriers will stockpile numbers prior to the price increase may not necessarily be borne out in practice this time around. All the above may well lead to a substantial under-recovery of cost by the end of 23/24.

### **A Better Cost Model**

In a market of declining overall transactions, a cost recovery model based on such a premise will only lead to greater declines and will, most likely, not be successful. A more stable model is required and our suggestion is one based on total number allocations per carrier as this will change very slowly.

Data we downloaded from the numbering system indicated that total number allocations were split approximately as follows:

Telstra	48%
Optus	19%
TPG	17%
Symbio	6%
Vocus	4%
Others	6%

These numbers will not change greatly over time and hence would provide a better opportunity to fully recover numbering system costs.

If such a change in approach cannot be implemented immediately, it should be considered for the period beyond 23/24

## **Conclusion**

The numbering database is a valuable resource for the telecommunications industry. However, a cost-recovery model based on declining activations is not a suitable approach going forward as it will lead to a spiralling down of activations and a further increases in activation costs for FLRN numbers. An alternative, more stable model, has been proposed that could be considered for future implementation.