

22 July 2022

To: Australian Communications and Media Authority  
PO Box 78  
Belconnen ACT 2616

By submission: [https://www.acma.gov.au/consultations/2021-08/form/consultation-test-beta?source\\_entity\\_type=node&source\\_entity\\_id=3689](https://www.acma.gov.au/consultations/2021-08/form/consultation-test-beta?source_entity_type=node&source_entity_id=3689)

**RE: Proposed ACMA fees for service 2022-2023**

## DRAFT TELECOMMUNICATIONS INSTRUMENTS

Thank you for the opportunity to express the Internet Association of Australia (IAA) perspective on the proposed fees for service 2022-2023. Our submission is in response to the draft *Telecommunications (Carrier Licence Charges) (Application) Determination 2022* and *Telecommunications (Charges) Determination 2022*.

Many of IAA's members are small to medium sized Internet Service Providers (ISPs) with many providing both internet and classical telecommunications services. Our response is primarily to represent the perspective of our members, from whom we have gathered feedback and input to inform our submission, as well as in support of the general well-being of the internet and the internet industry.

We acknowledge and appreciate the work been done by ACMA in relation to regulating telecommunications services and understand the need to update fees based on the revised hourly rate to meet the actual work undertaken by ACMA in fulfilment of its role.

However, we note that the updated fees in relation to both charges and the carrier licence will amount to a significant increase for the telecommunications sector. With respect to carrier licence application charge, we note the already existing high barriers to entry for new businesses. As such, we believe this increased licence application charge of 28% will result in increased burdens for prospective telecommunications providers, and thus potentially negatively impact competition in the sector and stifle innovation.

With respect to the telecommunications charges, we note again the steep increases in costs for various services including facility installation permits and submarine cable fees. Furthermore, we note that only the telecommunications sector is expected to experience an overall increase (43%) in costs in comparison to current fees.

Furthermore, we are concerned that the sharp increase in numbering charges (over 60%) will be a very big burden for our smaller members, many of whom also resell numbers.

We note that these increases are coming in as Australia faces an economic recession and in a period where telecommunications businesses are also experiencing profit downturns.<sup>1</sup> We are concerned that these increased costs will be pushed on to consumers, thereby negatively affecting both businesses and the Australian public.

While we understand that these increases are based on assessments of the work undertaken to provide services and in application of the proposed standard hourly rate, we believe that the draft Cost Recovery Implementation Statement does not provide enough detail regarding the actual breakdown of work to justify these increases. If the actual work conducted exceeds the estimation of costs when the charges were established for the 2012 instruments, an explanation and/or breakdown of these differences would greatly benefit the sector to understand these increases.

Once again, IAA appreciates the opportunity to contribute to the proposed fees for service 2022-2023, in particular to the draft instruments pertaining to the telecommunications sector. We look forward to continuing to work with the ACMA, and other stakeholders for the development of appropriate charges that will allow for the efficient and effective provision of services for the internet industry.

## ABOUT THE INTERNET ASSOCIATION OF AUSTRALIA

The Internet Association of Australia (IAA) is a member-based association representing the Internet community. Founded in 1995, as the Western Australian Internet Association (WAIA), the Association changed its name in early 2016 to better reflect our national membership and growth.

Our members comprise industry professionals, corporations, and affiliate organisations. IAA provides a range of services and resources for members and supports the development of the Internet industry both within Australia and internationally. Providing technical services as well as social and professional development events, IAA aims to provide services and resources that our members need.

IX-Australia is a service provided by the Internet Association of Australia to Corporate and Affiliate members. It is the longest running carrier neutral Internet Exchange in Australia. Spanning six states and territories, IAA operates over 30 points of presence and operates the New Zealand Internet Exchange on behalf of NZIX Inc in New Zealand.

IAA is also a licenced telecommunications carrier, and operates on a not-for-profit basis.

Yours faithfully,

Narelle Clark  
Chief Executive Officer  
Internet Association of Australia

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<sup>1</sup> Singtel, *The Singtel Reset - Annual Report 2021*, August 2021, <https://www.optus.com.au/content/dam/optus/documents/about-us/media-centre/annual-reports/2021/singtel-annual-report-2021.pdf>.