



NBN Co submission: Review of the 2015 Telecommunications Infrastructure in New Developments (TIND) policy

January 2020



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Contents

| | |
|--|-----------|
| 1 Introduction | 4 |
| 2 Key issues | 5 |
| 2.1 Lack of a level regulatory playing field | 5 |
| 2.2 Developer non-compliance | 5 |
| 2.3 Carrier compliance with the Telecommunications in New Developments Map | 6 |
| 2.4 Infrastructure Provider of Last Resort..... | 7 |
| 2.5 Current charging constraints..... | 8 |
| 2.6 Proposed charging solution..... | 10 |
| 2.7 Overbuilding..... | 11 |
| 2.8 Other competition measures | 12 |
| 2.9 Network service and standards..... | 12 |
| 3 Conclusion | 14 |



1 Introduction

Thank you for the opportunity to provide a submission on the Telecommunications Infrastructure in New Developments (TIND) policy discussion paper – 20 November 2019. NBN Co (**nbn**) notes the Minister for Communications, Cyber Safety and the Arts (the Minister) will consider views from industry as part of the discussion paper process and will either consult on a draft policy or move to issue a new policy. **nbn** sees consultation on a draft policy as an important part of the process and looks forward to providing further commentary on a draft policy in 2020. **nbn** also acknowledges that the discussion paper covers a wide range of issues that are impacting end users, developers and **nbn** –making the Government’s review of this policy timely.

nbn has been delivering infrastructure to new developments in accordance with the TIND policy since it was introduced in March 2015. During that time, **nbn** has experienced firsthand what works well in practice and where there are opportunities for change to ensure the most important objective of the policy is met: that *“occupants of new developments receive timely access to high quality telecommunications services”*. The TIND policy sets out **nbn**’s and developers’ responsibilities and there are many parts of the policy that should not be changed. **nbn** agrees in principle that the broad features outlined in the discussion paper’s ongoing approach section should remain key components of the TIND policy. **nbn**’s interpretation of the broad features to continue in the policy is as follows:

- The policy maintains a **consumer focus** that ensures end users receive ready access to quality telecommunications services, that are affordable and that meet their needs, now and into the future.
- **Developer responsibilities** are clearly defined, including that developers are responsible for organising telecommunications in new developments, though the option remains for carriers to determine innovative and efficient delivery options.
- **Competition in infrastructure supply** exists; **nbn** should be able to compete and act commercially to promote service innovation which should place downward pressure on costs across the industry.
- **nbn** has a role to play as the default provider in circumstances where a developer is unable (or unwilling) to find an alternate network provider, in line with **nbn**’s current Infrastructure Provider of Last Resort (IPOLR) requirements.
- **nbn** is able to **charge** developers a contribution of cost for infrastructure, in a manner that maintains a reasonable commercial rate of return and is consistent with market pricing.

Notwithstanding, there are several areas that impact **nbn**’s ability to compete, developer choice of infrastructure provider, and end user experience. These include:

- inflexible pricing and commercial models;
- lack of quality standards imposed on alternate providers; and
- **nbn**’s overbuilding restrictions, which can restrict **nbn**’s ability to deliver business grade solutions for our business customer base.

The discussion paper addresses these concerns in the key issues section and **nbn**’s position on these issues is outlined throughout this submission.



2 Key issues

2.1 Lack of a level regulatory playing field

We note the Government's discussion paper acknowledges that the TIND policy '*recognises that Australia has an open and competitive telecommunications market in which telecommunications carriers compete to provide infrastructure in different developments*'. **nbn** agrees that the provision of telecommunications infrastructure in new developments is subject to competitive market forces, however, **nbn** is still subject to regulation as if it were a monopoly, under Parts XIC of the *Competition and Consumer Act 2010* the *National Broadband Network Companies Act 2011*, as well as pricing obligations in the TIND policy.

Monopoly regulation on **nbn** in the presence of competition tends to distort market forces and give rise to inefficient outcomes. For example, **nbn**'s ability to respond to price competition and pass on cost savings to developers in the form of lower prices is restricted because the current TIND policy sets highly prescriptive prices for the delivery of infrastructure by **nbn** which do not apply to other network operators. This impacts **nbn**'s ability to compete against other network providers in new development areas. Similarly, the pricing obligations in the TIND policy restrict **nbn**'s ability to offer innovative and flexible price and product options for developers resulting in less efficient pricing structures and infrastructure delivery models, and potentially sub-optimal allocation of commercial risks.

Additionally, under the Government's policy settings (including the TIND policy) **nbn** notes that in Adequately Served Areas, and those areas already served by an **nbn**-comparable network, competition is expressly restricted; **nbn** overbuild is prohibited without Ministerial approval. This restriction applies even in cases where customers have requested the **nbn**[™] access network because they are unhappy with their current network operator and are seeking better quality of service or greater choice of Retail Service Providers (RSPs).

2.2 Developer non-compliance

Developer non-compliance with the TIND policy has been a key issue since the policy was implemented. It can result in delays in service provision for end users which is a poor customer experience outcome. This tends to occur in instances where a developer has not followed the process or has applied too late in the process for services to be connected prior to occupation. Improved developer compliance with the TIND policy will also help **nbn** with improved overall network planning outcomes. Late applications and instances where no developer is present impacts **nbn**'s ability to schedule and plan the network in a strategic manner, which has flow on effects across **nbn**'s deployment and maintenance program.

The discussion paper notes that while there has been some progress with state and territory planning laws requiring the provision of telecommunications infrastructure and services in new developments, there is inconsistency in how this is applied nationally and a lack of awareness of planning rules; this is particularly true of smaller, less experienced developers. Ideally, all developers should be required to install telecommunications infrastructure (fibre ready facilities) and confirm they have provisioned a carrier for a telecommunications service before certification of the development is provided by their local council. **nbn** continues to advocate for policy



change in state planning jurisdictions and maintains that the Federal Government should continue to advocate for change (separate to the TIND policy review), utilising governance mechanisms such as the Council of Australian Governments to gain consensus and national consistency.

One mechanism that would help with developer compliance with the TIND policy is **nbn** becoming a referral authority for all new developments in Australia. As **nbn**'s rollout is coming to an end, it has default provider obligations in the TIND policy (IPOLR) and will likely assume SIP obligations from 1 July 2020, so it is timely to investigate **nbn** becoming a referral authority. We understand that Telstra has played a similar role in the past, which provided certainty to the development industry and consumers. It would also provide **nbn** with early visibility to help ensure occupants of all new developments are able to order a telecommunications service from the first day of occupation. Under this model, **nbn** would receive notification from planning authorities as part of the development approval process. **nbn** would have a set time period to respond to the application, similar to the role other utility operators play. We appreciate that the mechanics of this would need more thorough investigation, but see this approach as beneficial and the policy should be amended to reflect this option.

As the discussion paper notes, the *Telecommunications Act 1997* requires incorporated developers to install fibre ready facilities in all new developments. Non-compliance can result in penalties which are enforced by the Australian Communications and Media Authority (ACMA); however, **nbn** understands that these penalties are rarely enforced. To help give effect to the legislation, the ACMA should be sufficiently resourced to enforce these penalties and **nbn** suggests that the Department of Communications and the Arts (the department) play a more active role in raising awareness about this requirement and subsequent penalties. **nbn** could help to develop a process to assist the department to take action with developers that are believed to have breached pit and pipe provisions in the *Telecommunications Act 1997*.

2.3 Carrier compliance with the Telecommunications in New Developments Map

The Telecommunications in New Developments Map has been used to record the existence of networks in new developments as the primary resource available to **nbn** to identify where other networks are located, in order to avoid them. Use of this map is voluntary as there is no current requirement for carriers to map their networks and little governance around the accuracy of mapping, subsequently a number of issues have resulted:

- 1) Inaccuracies in drawing of boundaries and providing "in service" dates;
- 2) Carriers claiming TIND policy protection for premises that are not "new developments"; and
- 3) A need to consider whether the self-regulatory nature of the arrangements is resulting in the provision of accurate and timely information to relevant parties.

This has led to some confusion and delays if boundaries have been overstated – meaning some premises may be missed by **nbn** – leading to delays during the building phase. **nbn** will need to spend additional capital (at a higher than average cost per premises) if it needs to go back to areas that were inadvertently avoided. End users are also impacted by the delay in receiving high speed broadband and the associated economic and social benefits it brings.



Sometimes **nbn** receives new developments applications within boundaries declared served by other carriers. However, these areas are often not serviced by those carriers, creating confusion and potential delays while clarification is sought.

It is hoped that with the introduction of the SIP legislation and more formal oversight of boundaries by the ACMA that these issues will be addressed. In the meantime, the Telecommunications in New Developments Map should not be seen as a means of “locking up” areas that are not contracted. It should also be made clear that as a consequence of taking on responsibility for a TIND area, under the new SIP regime the carrier will take on responsibility for meeting any “reasonable request” for a new connection within that area in the future, and any other quality of service provisions the Minister may make in the future.

2.4 Infrastructure Provider of Last Resort

nbn understands the need for a network provider to act as the default provider, to help ensure that all sites can access a telecommunications service. Industry parties have taken some time to adjust to the transition of IPOLR arrangements inside **nbn**'s fixed line footprint (from Telstra to **nbn**). **nbn** has played an active role in educating and providing clarity to less experienced developers throughout this period.

The department's discussion paper asks whether more guidance is needed for vacant lots, subdivisions and 'knock-down/rebuild' scenarios. If the TIND policy is too prescriptive about these developments it may inhibit **nbn**'s ability to examine more flexible delivery options in future. **nbn** believes it should have the flexibility to define a new development and the best place to provide more guidance is on the **nbn** website. We commit to clarifying these scenarios with the department and reflecting this on the **nbn** website. **nbn** suggests the arrangements in place under **nbn**'s IPOLR obligations and the future SIP obligations will provide enough certainty that these sites receive a telecommunications service in a timely manner.

As the rollout of the **nbn**TM access network draws to a close, **nbn** has assumed IPOLR responsibility inside its fixed line footprint under the TIND policy. **nbn** also expects to be the SIP in these areas. **nbn** is comfortable maintaining its IPOLR role and assuming the SIP obligations, provided requests to service developments are reasonable and timely, though some inherent difficulties have presented and are discussed below.

No developer presence

In some instances, developers do not apply to **nbn** or an alternate provider for a telecommunications service, which results in delays for end users. Under **nbn**'s IPOLR obligations, **nbn** is required to provide a service in these instances. This often results in end users experiencing delays and visually unappealing retrofitting, while **nbn** is unable to claim a developer contribution towards covering the cost of connecting these sites as the developer has moved on. It is often more expensive to connect smaller developments as there is less economy of scale, which can increase the cost per premises to deploy to these sites. There are additional financial impacts that relate to complexities in the build schedule as **nbn** tries to prioritise these sites. Other flow-on effects from these delays include an increase in the number of complaints which **nbn** must manage, along with the associated reputational damage this causes to **nbn**. Additional flexibility in the way **nbn** seeks developer contributions would help to mitigate against the cost and economic loss these scenarios present to **nbn**. As noted above, if **nbn** became a referral authority, it could assist in resolving instances where developers do not apply to **nbn**, by providing visibility of these developments to **nbn** early in the development process.



Sites outside nbn's fixed line footprint

As the discussion paper notes, incorporated developers are required to install fibre ready facilities (pit and pipe infrastructure) in their developments under Part 20A of the *Telecommunications Act 1997*. This requirement helps to future proof sites where an extension of the fixed line footprint may be warranted in future, should **nbn** determine an extension is commercially viable. Provision of pit and pipe infrastructure is much easier and more cost effective if completed during the construction stage. If sites outside the fixed line footprint do not have pit and pipe installed and retrofitting is required, it may be cost prohibitive to extend the fixed line footprint in future. **nbn** recommends that the requirement to install fibre ready facilities, though governed under the *Telecommunications Act 1997*, be maintained to support future fixed line extensions, if deemed commercially viable by **nbn**.

The exemption instrument is intended to remove the requirement for pit and pipe in remote areas that are unlikely to ever receive a fixed line connection. In order to meet this exemption, developers must meet all of the criteria specified in the instrument. To ensure the exemption instrument remains effective, the department could undertake an audit of the sites that have been exempted to ensure all criteria has been met.

Considering applications adjacent to nbn's fixed line footprint

At present, under the TIND policy **nbn** must consider servicing new developments that are within one kilometre of **nbn**'s fixed line footprint. Where feasible, **nbn** delivers fixed line connections to these developments, subject to a commercial assessment. However, where it is not feasible or reasonable, **nbn** has the option to provide broadband services by use of other technologies. A more prescriptive requirement to provide these premises with a fixed line service could have significant commercial implications for **nbn**. **nbn** should maintain its ability to perform a commercial assessment to determine whether these sites would be eligible for a fixed line service.

2.5 Current charging constraints

As noted in the Minister's Comms Day Melbourne Congress speech in October 2019, the telecommunications market has 'improved considerably' in terms of choice¹, and alternate providers are winning an increased share of the new developments market. Increased competition can benefit end users, provided end user needs are being met. The key constraint impacting **nbn**'s ability to compete in the new developments market is fixed pricing. Alternate providers are able to adjust prices as necessary to meet commercial and customer needs. The discussion paper draws attention to the asymmetric policy settings in the TIND policy that restricts **nbn**'s ability to respond to competition and innovate in the provision of infrastructure in new developments. These restrictions include:

1. Inability to work with developers to reduce costs

The property market is currently constrained, with housing approvals at five-year lows according to the Australian Bureau of Statistics housing approvals data. Though **nbn** wants to work proactively with developers to reduce costs and innovate where possible, fixed pricing inhibits **nbn**'s ability to achieve such an outcome. Fewer restrictions would help **nbn** work collaboratively to find efficiencies in delivery and contracting models that support both **nbn** and developers' commercial success – imperative in tougher economic times.

¹ <https://www.paulfletcher.com.au/portfolio-speeches/speech-to-the-2019-commsday-melbourne-congress>



2. Inability to lower prices to better reflect costs

The cost of provisioning infrastructure in new developments varies, but generally an economy of scale rule can be applied – i.e. large developments cost less per lot/unit to service than smaller developments. Fixed pricing means **nbn** is effectively penalising larger developers, which isn't considered to be fair and equitable. This problem is exacerbated in a constrained property market, where all costs are scrutinised, and profit margins are tighter. Developers are increasingly making decisions based solely on price. Alternate providers do not have the same price and commercial restrictions, meaning they have a commercial advantage over **nbn**.

3. Inability to respond to competition

As alternate providers are able to offer lower pricing than **nbn**, they have more freedom to select sites that provide the highest return on investment and price accordingly. In **nbn**'s view this provides a strategic advantage for alternative providers and a commercial disadvantage for **nbn**. Without flexible pricing **nbn** will struggle to compete for these sites, which help to subsidise more expensive builds across the network, such as those in regional areas.

4. Asymmetric Quality of Service (QoS) regulation

Price is increasingly the number one factor influencing developer choice. As discussed, **nbn** must charge set fees under the TIND policy, which alternate providers can undercut. Alternate providers are also not subject to network and service standards, which were initially proposed through carrier licence conditions in the TIND policy, but never implemented. This means that alternate operators can provide lower cost and lower quality solutions that are appealing to developers but may not meet the needs of residents and businesses now and in the future. A lack of quality standards for alternate operators can impact end user choice of RSP and pricing options (for example, locking end users in to set fees or embedded networks), network speeds, reliability and fault resolution times. **nbn** believes that, in addition to it having pricing flexibility, a higher standard of quality should be imposed on all networks servicing new developments, to help ensure that end users get the services they need.

5. Asymmetric price regulation for first-time connection charges

The discussion paper notes that some alternate providers are shifting costs to end users through higher first-time connection charges to subsidise infrastructure costs. This practice is advantageous for developers who are able to secure the provision of telecommunications services in their developments for less than what **nbn** would charge. However, end users foot a disproportionate cost for infrastructure. **nbn** does not believe it was the TIND policy's intention to increase costs for end users to access telecommunications services. **nbn** believes this practice is inequitable for end users and conflicts with the notion of fairly priced telecommunications services outlined in the TIND policy. This practice can discourage occupants of new developments from activating a service, meaning the social and economic benefits of access to high speed broadband cannot be realised. **nbn** recommends the Government impose a cap on first-time activation fees for all network providers servicing new developments to provide consistency and transparency for end users. **nbn** believes that while a connection fee is an important contribution of cost by end users, it should be a



reasonable amount. A cap could be imposed through carrier licence conditions. This is discussed in more detail in the submission.

6. Restrictions to offer commercial pricing constructs

The TIND policy outlines that one-off projects like major office complexes, industrial sites, commercial premises, hospitals, airports, hotels or similar, would be subject to commercial negotiations for charging. These projects have inherent complexities that aren't present in typical residential builds, and the rates of return vary depending on a number of factors. **nbn** believes it was never the intention of the TIND policy to govern business to business interfaces. **nbn** suggests that all commercial premises within new developments have similar attributes to the one-off projects referred to above, and should therefore not be subject to TIND policy pricing provisions. Any revised pricing model should clearly articulate that **nbn** has the freedom to undertake a commercial assessment that meets both **nbn's** commercial objectives and customer needs.

2.6 Proposed charging solution

As the discussion paper recognises, **nbn** is required by its Statement of Expectations (SoE) (and the *Corporations Act 2011*) to operate commercially, which includes maintaining a commercial rate of return on investment. **nbn** must carefully balance the cost of servicing less commercially viable developments – which are necessary to service under its IPOLR and future SIP obligations – with the provision and maintenance of other parts of the network. Placing restrictions on **nbn's** pricing in an open and competitive market, where no restrictions exist for alternate providers limits **nbn's** ability to balance these costs and to compete. This impacts **nbn's** commercial position in the new developments market and the Government's overall return on investment. **nbn** must have greater discretion to set charging that can respond to changing circumstance and to meet customer needs. Two options are proposed to help address some of the issues described above:

Option 1: **nbn** has full commercial flexibility and discretion to set charges (if any) for servicing new developments, that recover its efficient deployment costs, and provide an agreed commercial rate of return. This approach would ensure that that **nbn's** charges are cost reflective and that **nbn** complies with its competitive neutrality policy obligations. This is **nbn's** preferred position.

Option 2: **nbn** has some commercial flexibility and is able to charge an amount within a range, based on build type, economies of scale and cost to deploy infrastructure. Option 2 does not provide **nbn** with the same level of commercial flexibility as alternate providers, though it does afford **nbn** a higher level of commercial flexibility than is currently in place. As part of Option 2, **nbn** would be free to undertake commercial assessments for commercial premises in new developments. In addition, for Option 2 to have a positive impact on end users and the development industry, other recommendations relating to quality and consumer choice in competitor networks must be adopted.

Pricing outside the fixed line footprint

nbn anticipates regardless of the above options that the backhaul charging arrangements remain as they stand, as does the ability to charge for non-fixed line connections, with further detail provided below.

Backhaul charging arrangements



The backhaul charging arrangements currently in place for **nbn** contribute to the cost of providing infrastructure where there is no existing network in place. These arrangements are important outside **nbn**'s fixed line footprint, helping to make fixed line connections commercially viable. Without this mechanism, it would not be commercially viable to service many developments outside **nbn**'s fixed line footprint with fixed line infrastructure. Subsequently, these provisions should be maintained in their current form.

Fixed wireless and satellite connections

Under the current TIND policy **nbn** is able to charge \$1,300 for single dwelling unit (SDU) developments and \$1,100 for multi-dwelling unit (MDU) developments that receive non-fixed line technology. **nbn** recommends this charging option remain in the policy.

2.7 Overbuilding

The discussion paper notes that overbuilding could be considered 'self-policing' as **nbn** must operate commercially under the Government's SoE and the *Corporations Act 2001* and further, must comply with competitive neutrality obligations under the Commonwealth's Competitive Neutrality Policy. **nbn** agrees with the conclusion that overbuilding will not take place where there is no commercial justification. As a result **nbn** suggests that the requirement to seek approval from the Minister to overbuild alternate provider networks be removed as it is an unnecessary administrative burden for both **nbn** and the Minister and gives rise to operational costs and delays for **nbn**.

Delivering Business and Enterprise Solutions in Adequately Served Areas (ASA) and TIND sites

The discussion paper also notes that **nbn**'s overbuilding restrictions apply to business grade services. The extension of this point is that **nbn** must seek a Ministerial exemption to provide a business grade solution for a customer if that customer is served by an alternate carrier located in a TIND area or an ASA, even if a customer is willing to pay for **nbn** to provide a business grade solution for their business or company. This is despite the mature business/enterprise market that **nbn** has only recently joined. The Government has indicated support for **nbn** to grow and compete in the business/enterprise market. The noted requirement to seek specific approval to overbuild is inflexible and is adversely impacting **nbn**'s ability to meet the needs of the business/enterprise market. In these cases **nbn** is not seeking to overbuild developments, but to install services to specific addresses within developments that need a higher grade of service than is generally available. It is not only burdensome for **nbn** to seek Ministerial approval in each instance – and for the Minister to review **nbn**'s applications – it also denies businesses access to competitive infrastructure, and in many cases, the choice of their preferred RSP (since many other greenfield carriers do not offer as wide a range of RSP options). **nbn** agrees that seeking Ministerial approval for overbuilding is unwarranted; it unfairly restricts **nbn** from providing business grade solutions to customers.

Overbuilding of fixed wireless networks should be permitted

There are an increasing number of wireless carriers providing services in new developments. Given the different characteristics of wireless services, and the potential for congestion and interference, the policy should make clear that wireless services should not be considered a replacement for fixed line under the terms of TIND and can therefore be overbuilt. Wireless services should not have status on the Telecommunications in New Developments Map as meeting the requirements of a TIND service. Recognition of wireless services as meeting the TIND benchmark could eventually lead to pressure to no longer provide fibre ready facilities.



2.8 Other competition measures

Access to nbn backhaul and business-to-business (B2B) interfaces

The discussion paper notes that the industry has not taken forward provisions allowing access to **nbn**'s backhaul and B2B interfaces. **nbn** should be free to commercially assess whom it sells backhaul to and how it manages access to its systems. To date there has been no market demand for the use of **nbn**'s B2B interface, which **nbn** assumes is due to implementation costs, impacts of changes to **nbn** systems on downstream users, and potential security risks.

Alternate carriers have their own systems, which again **nbn** assumes are agile and can adjust to the changing marketplace and B2B arrangements. Given how long most of these operators have been in market, **nbn** assumes their systems are well established and there is no desire to change.

Access to **nbn** backhaul is similar; to date there has been no market demand. Again, implementation and design solution design costs would be significant. The lack of information on alternate networks is also a key factor, as **nbn** cannot design, build and market a backhaul solution without visibility of these networks. **nbn** does not believe there is significant demand for this, and both measures should be removed from a revised TIND policy.

Increasing the use of non-nbn networks by Retail Service Providers

The discussion paper seeks views on what mechanisms could be used to increase the number of RSPs on alternate networks. RSP demand to access networks may be limited if wholesale pricing is too high or quality of the carrier network is poor. Improved standards on the quality of carrier networks may help attract more RSPs if they have greater confidence that networks will meet the needs of their customers. **nbn** believes that these objectives could be achieved through the implementation of carrier licence conditions.

2.9 Network service and standards

The TIND policy proposed carrier licence conditions. At the time of consultation, there was strong opposition from alternate network operators about imposing quality standards on their networks and the carrier licence conditions were not introduced. The TIND policy was implemented in 2015; consequently there has been a five-year gap in standards placed on alternate network providers. During this period a significant number of new developments have been serviced by alternate providers and the discussion paper notes some of the issues experienced by consumers, including 'quality of networks provided, the charging arrangements, overall service standards, and limited choice of RSPs'.

As noted in the discussion paper, a decision was made that these conditions be dealt with through the SIP legislation. **nbn** understands SIP obligations only come into effect once an end user makes a request for a service through their RSP. The RSP must be able to provide a service that is capable of meeting peak speeds of 25/5 Mbps. **nbn** understands that there are no other specific quality standards or service levels included in the SIP legislation. This should result in a service made available to an end user that is capable of meeting 25/5 Mbps via an alternate provider who has been declared SIP by the ACMA. However, there is nothing in place to ensure this service level is being met. Given this is the only standard proposed in the SIP legislation, it may have limited effect addressing some of the quality issues that consumers have expressed.



For a more complete solution that helps to ensure end user needs are met and all carriers serving new developments provide networks of an appropriate standard, the Government should apply carrier licence conditions for carriers servicing new developments in addition to the SIP legislation. The carrier licence conditions could include requirements for networks to be wholesale only, open access, a cap on end user first time connections across all networks, build and maintenance standards that align to those in **nbn**'s Wholesale Broadband Agreement (which is publicly available), minimum speeds, and timely and fair activations and assurance processes in place for all RSPs.



3 Conclusion

Many parts of the TIND policy work well and should be maintained, though as noted in the discussion paper and in this submission, a range of issues have arisen since the implementation of the TIND policy in 2015 that should be addressed in a revised policy. **nbn** agrees with the TIND policy's most important objective; that end users are provided with timely access to high quality telecommunications services. This outcome is best achieved by addressing the three issues below:

1. Level regulatory/policy playing field
 - Competition can be promoted by removing any restrictions on carriers, including **nbn**, to price efficiently and respond to developer and end user needs, as well as other market forces over time. For **nbn**, this means having flexibility to determine:
 - eligibility for fixed line services outside the fixed line footprint;
 - how to service sub-divisions and knock-down rebuilds; and
 - its own charging structure for small, large and commercial builds, based on costs to deploy, economy of scale and rates of return.
2. Developer non-compliance
 - **nbn** could become a referral authority and suggest this option be reflected in a revised TIND policy.
3. Increasing quality standards
 - Quality standards should be applied to alternative providers through carrier licence conditions to ensure end user needs are being met.

Addressing the above three issues will help to ensure:

- end users have access to quality telecommunications services that meet their needs now and into the future;
- **nbn**'s return on Government's investment;
- **nbn** can compete in the business grade market; and
- **nbn** achieve a fair pricing model that can more easily respond to changes in the marketplace.

nbn looks forward to working collaboratively with the Government and industry on the issues raised and would be happy to discuss any of the abovementioned suggestions or positions.