

# Review of Telecommunications Pre-Selection Determination 2015

Public Version

19<sup>th</sup> March 2020

## Summary

The MNF group believes that the Preselection Determination should be renewed for a further period so that by then all fixed line customers have transitioned to the NBN. This would currently imply an extension to approximately the end of 2021, assuming the NBN rollout proceeds on schedule. MNF still has customers using pre-selection and does receive enquiries regarding this service. There is no readily available replacement product for companies such as MNF and the customers would most likely revert to the carrier providing the network access line, i.e. predominantly Telstra. There will therefore be a reduction of competitive products for end users

Further, if preselection is terminated prior to a customer moving to the NBN, the customer will need to make two changes in product which is inefficient for them. For other products, e.g. DSL, the migration occurs when the customer can directly migrate to the NBN and this should be the case for preselection.

## Structure of Current Determination

The current single basket preselection offering is considered fit for service as it provides a suitable range of preselected services. The availability of an override dial codes is also appropriate as it allows routing selection on a call by call basis

## Current and Likely future Demand

Currently MNF has approximately **CIC** numbers with active preselection. There are also enquiries regarding the service on an ongoing basis, for example MNF activated **CIC** new services in February 2020. However, it is acknowledged that on a longer-term basis the demand is decreasing as migration to the NBN continues.

## Competition Aspects

Preselection provides an option for a customer to use a different provider for the preselected call bundle than the provider of the access service. This enables the preselected provider to offer different pricing structures from the access provider and hence customers can select which option best suits their needs.

## **Impact of Revoking the Determination on July 2020**

### **(a) Customer Action**

If the ACMA revoked the Determination on July 2020, the customers would have to choose an alternative service. As MNF cannot offer a commercially suitable alternative, it is likely the customers would use their access provider, i.e. predominantly Telstra

### **(b) Availability of Preselection**

There is no guarantee that preselection would continue to be available after July 2020. In fact, it is likely to be withdrawn as customers are most likely to stay on the access provider's network for all their voice services.

## **Timing for Revocation**

Revocation should not occur until after transition to the NBN i.e. around end 2021 assuming the final NBN rollout is completed on schedule. Otherwise, customers will have to make two changes to their service instead of one, i.e. one change if preselection is revoked prior to transition to the NBN and a further change on migration to the NBN. Outages and service changes are not welcomed by customers.

## **Costs of Complying with the Determination**

There is minimal cost of continuing to comply with the Determination as all systems and processes are well established and well known to customers. We do not believe there will be any cost savings if the Determination is revoked. In fact, there may be some additional costs in advising customers that the service is no longer available, and they need to shift to another service. This may cause some difficulties for customers as, in MNF's case, there is no direct replacement service.